



**FRESENIUS
MEDICAL CARE**

Annual General Meeting

Fresenius Medical Care AG & Co. KGaA



Speech to the Shareholders

by Dr. Ben J. Lipps

May 10, 2012

Spoken word takes precedence

Slide 1: Welcome

Welcome to our Annual General Meeting for fiscal year 2011. On behalf of the Management Board and the Supervisory Board, I would like to thank you for your continued interest in Fresenius Medical Care. We are pleased that so many shareholders are in attendance at today's meeting. We also welcome the representatives of the shareholder organizations, the members of the media, guests and all who have joined us on the Internet. Let me extend my appreciation to my colleagues on the Management Board and to the members of the Supervisory Board for their dedication and service during this past year. In addition, I especially want to recognize the efforts of our more than 79,000 employees around the world, whose dedication to excellence has enabled us to achieve our financial goals. Our stakeholders can be proud that their company is indeed making a difference in patients' lives with our superior products and clinical services, and through our innovative research into new treatment modalities and reimbursement concepts.

Slide 2: Agenda – Accomplishments and Business Update

This morning we will highlight our 2011 business accomplishments and review our financial results, including an overview of our share price development and long-term shareholder value. We will review the performance in first quarter and the financial goals we have set for ourselves for fiscal year 2012. Finally, we will take a look at our future growth strategy and opportunities.

Slide 3: Fiscal Year 2011 – Another Outstanding Year for Fresenius Medical Care

In the United States, which comprises almost two-thirds of our revenue, we faced the introduction of a new reimbursement system supported by both the dialysis community and the government as a logical step toward health care payment reform. In keeping with our track record, we were well prepared to meet the challenges related to this new system. Not only did we achieve our targets for 2011, ending the year with record results, but we also expanded our global clinic network. In North America, it was quite an achievement for us to mitigate the effects of the new reimbursement system, which called for a 2% discount to the previous rate as a compensating factor to balance the new annual inflation adjuster. Internationally, we saw very strong organic growth and we expanded our global market share through organic growth as well as through selective acquisitions.

Slide 4: Fiscal Year 2011 – Record Results

In 2011 we met ambitious targets that we had set and achieved the highest financial results in the Company's history. We increased revenue by 6% compared to 2010 to around 12.8 billion dollars. Our operating income increased by 8% year over year to a record of nearly 2.1 billion dollars. For the first time in the history of the Company, we surpassed the milestone of 2 billion dollars of operating income or EBIT. Net income also increased by 9% to nearly 1.1 billion dollars, another milestone for Fresenius Medical Care.

Slide 5: 2011- Revenue by Region

Every region contributed to our revenue. North America, which comprises 64% of our total revenues, achieved revenues of 8.2 billion dollars. Considering that we dealt with the impact from the new bundled payment system, this performance in the United States is gratifying. The International region, which accounts for 36% of our total revenue, achieved an impressive 14% constant currency growth and recorded 4.6 billion dollars in revenue. In Europe, representing about 23% of our revenues, our business grew to over 2.9 billion dollars, an increase of 11% at constant currency. Asia Pacific achieved approximately one billion dollars in revenue for the first time, which represents 8% of our total revenue. Asia Pacific had a very impressive revenue growth of 19% in constant currency – the highest growth rate in the group for 2011. Our performance in Latin America, which represents 5% of our total revenue, was also very positive. Revenue grew by 16% at constant currency to about 700 million dollars. Currently, 14% of our revenue originates from the Euro zone, with 3% originating in Germany.

Slide 6: Continued Global Leader in Dialysis Services

Our Company has been able to maintain its leading position in each major market around the world. We now treat more than 253,000 patients in our clinics, which reflects an increase of 13% year over year. In North America, we provide treatment to more than 161,600 patients and we continue as the market leader in terms of the number of patients treated. In Europe, Latin America and Asia-Pacific, we continue to be the number one provider of dialysis services in each region. In the last two years we accomplished meaningful acquisitions outside of North America. We acquired the largest provider in Asia Pacific; we bought Gambro's PD business; and we acquired the dialysis services business of Euromedics, all of which significantly advanced our ability to provide care for more patients in these regions.

Slide 7: Market Position by Major Product Groups 2011

In every major hemodialysis product group - machines, dialyzers, concentrates, and bloodlines - we are the market leader in our industry. Baxter has the leading global market share in peritoneal dialysis products. Peritoneal dialysis represents 10% of all the treatments being provided. Looking at the two major product groups in hemodialysis -- the dialyzers and the machines -- we have a leading global market share of 45% and 55% respectively. This means that one out of every two machines or dialyzers is manufactured by us. This global view however does not reflect the strength of our position in some of the largest markets in the world like North America, where our market share in dialyzers is 75% and for dialysis machines is even higher at 90%. Worldwide, about 220 million dialyzers are being produced and our company produced 98 million, which is very impressive and shows our strength in terms of production technology.

Slide 8: 2011/2012 – Product Launches

Although we have accomplished a great deal, we can never rest on our past achievements. Be assured that Fresenius Medical Care is not a complacent large corporation. We are just as restless as we were 16 years ago when we completed the first cross-border merger. On the product side of the business, in the U.S., we launched the new 2008T machine and re-launched the 2008K at-home machine. Internationally, we launched the 4008S Classic, and the 5008S hemodialysis machines. We are developing a sorbent-based portable artificial kidney system that can be used by patients in assisted care clinics or at home. Our wearable artificial kidney has reached a new milestone with a successful proof of concept. As you know, it is a long path from proof of concept in the laboratory to commercialization, but Fresenius Medical Care has an impressive track record in bringing product concepts to market.

Slide 9: Balance Sheet Remains Strong

Looking at our Balance Sheet, as of December 31, 2011, total assets were 19.5 billion dollars. This represents an increase in total assets of about 2.4 billion dollars. 2.1 billion dollars of that was driven by our acquisition program, so we actually had a very modest increase in total assets related to the needs of the underlying business, some capital expansion, and a small increase in working capital. Our total debt of 7.2 billion dollars increased by 1.4 billion dollars in 2011 corresponding to the acquisitions we made during the year. We have continued to finance our business largely with debt instruments. This strategy has worked

well for our shareholders because of the strong and sustainable cash flow of our business model. We think it's notable that we've placed \$5 billion in bonds, and we extended our credit agreement for \$4 billion. We have been able to successfully access the credit markets over the course of the last two years. The total debt to EBITDA ratio was 2.7 at the end of 2011, well within the guidance that we provided of less than 3.0. Shareholders' equity comprises 41% of the balance sheet total.

Slide 10: We Added More Than 5,700 Jobs Worldwide

Fresenius Medical Care owes its success and leading position to the dedication and superior work ethic of our talented employees. At the end of 2011, Fresenius Medical Care employed over 79,000 talented men and women. Our workforce has grown consistently at about 8% per year over for the past decade. The acquisitions that we completed in 2011 account for 3.2% of the growth in personnel. About 57% of our staff resides in the United States and 26% of our staff is based in Europe, followed by 10% in Latin America and 7% in Asia-Pacific.

Slide 11: Agenda: Share Price Development and Long-Term Value Creation

Slide 12: Decade of Impressive Growth

Chart 12 shows a decade of posting strong growth in both revenue and net income for the Company. From 2006 to 2011, our revenue increased by 51% and net income increased by an even more impressive 100%. For the past ten years, we have achieved an 11% compounded annual revenue growth rate and a 15% net income growth.

Slide 13: Share Price Development

Within the last ten years, the value of Fresenius Medical Care's ordinary shares has risen by 81%. Over the same period, prime share indices such as the German DAX declined by 8% and the Dow Jones index in the U.S. grew by 13%. In 2011, Fresenius Medical Care's shares again performed very well. The ordinary share price increased 22% which was the second best performance in the DAX in 2011. We have outperformed even the health care specific indices such as the Euro Stoxx Health Index, which showed an increase of 11% in 2011. With this share price performance, we have increased the total market capitalization of Fresenius Medical Care to nearly 16 billion Euro, an increase of

2.8 billion compared to the previous year. I think this is an outstanding performance and again reflects well on the dedication of all of our staff to improve patient care and increase shareholder value.

Slide 14: 2011 Annual Dividend Proposal

As a result of our performance in 2011, we are proposing to the Annual General Meeting today the fifteenth consecutive dividend increase. The proposal is to increase to 0.69 Euro cents from 0.65 Euro cents per ordinary share, or 6%, and is in line with our profit-oriented dividend policy of recent years. If the Annual General Meeting accepts the proposal, total dividends of 210 million Euros will be distributed for 2011. This represents a payout ratio of about 25%, a very satisfying result.

Slide 15: 2002 to 2011 – Delivering Long-Term Value

Let's look at this performance from a slightly different angle and consider the total financial return that we have been able to generate in that time frame. Total financial return means that the dividends we pay each year are included in the return to stakeholders. The Total Return of our ordinary shares showed an annual increase since 2002 of slightly more than ten percent. This compares to a DAX performance of 1.4% per year in that respective time frame and a negative 1.4% for the more healthcare weighted Eurostoxx Healthcare Index.

Slide 16: Agenda – First Quarter 2012 and Outlook

Let me give you a quick snapshot of our performance in the first quarter and our outlook of 2012.

Slide 17: First Quarter 2012 – Strong Start & Very Good Operating Performance

In the first quarter of 2012 we have had an excellent start to the year. We achieved approximately 3.25 billion dollars in revenue. This figure reflects a growth rate of 10 % in constant currency. Operating income, or EBIT, increased 13% to 503 million dollars. Net income for the first quarter was 244 million dollars, excluding a gain of 127 million dollars from our minority investment in a smaller dialysis company to assist them with the bundle.

Slide 18: Full Year 2012 Outlook – Another Record Year Expected

Based on the excellent performance in the first quarter, we reiterated our outlook and we expect another record year for 2012. Our goal is to achieve net revenue of approximately 14 billion dollars, which would represent an increase in constant currency in the range of 13 to 15 percent. Net income attributable to shareholders is targeted to be around 1.14 billion dollars. As in 2011 we are planning 1.8 billion dollars for acquisitions. About 1.5 billion dollars is for the Liberty Dialysis acquisition that we closed at the end of the first quarter. We expect our cash flows to keep our leverage ratio below 3.0 by the end of the year.

Slide 19: Agenda – Growth Strategy and Summary

Let's now look at what we can expect for the future of the industry...

Slide 20: Development of Dialysis Patient Population

At the end of 2011, approximately 2.2 million patients were being treated with dialysis. Approximately 27% of dialysis patients were treated in the U.S., 20% in Europe, 10% in Latin America, and 38% in Asia Pacific. The leading causes of kidney failure still are hypertension, diabetes and aging. Estimates suggest that by 2020, there will be nearly 4 million patients who need dialysis – this means nearly twice as many patients will need dialysis in 2020 as today. Globally, the number of patients who require dialysis continues to increase by 5% to 6% per year. We are looking at innovative ways to increase the capacity of our clinics, such as nocturnal or over-night dialysis and opportunities for the patients to be more involved in their therapy through home or “just like home” assisted care.

Slide 21: Global Market Opportunity

By 2015, the market potential or total industry reimbursement will be nearly 85 billion dollars compared to 35 billion dollars back in 2000. North America, Europe and Asia Pacific are projected to be equal in size. Latin America is relatively small but it is one of the fastest growing markets; it will be five times as large in 2015 as it was in 2000. The reimbursement for dialysis services is expected to be about 40% of the total reimbursement or 34 billion dollars out of the 85 billion dollars. Fresenius Medical Care has two growth avenues: one, based on patient growth; and two, based on the expansion of related services, which are not part of the 40% reimbursement attributed to dialysis.

Slide 22: Market Opportunities for Fresenius Medical Care

We have a long history that can be divided into three phases of growth and development. Phase One covers the period from 1985 to 1996. During that time, Fresenius AG expanded its product business geographically, primarily in the U.S. Starting in 1985, revenues in the dialysis products business were approximately 70 million dollars. We grew to 900 million dollars by 1995. Phase Two began in 1996 with the major expansion into the services business in North America through the acquisition of National Medical Care. During this phase, Fresenius Medical Care was formed and became a listed company on the German and New York stock exchanges. Revenues grew from 900 million dollars in 1995 to approximately 13 billion dollars in 2011. As we view Phase Three starting in 2013, the future is even more promising. We have a strong global clinic network and expertise to expand services. In addition, we have over 40 manufacturing sites in 30 countries with our excellent platform. Going forward we see tremendous growth potential in various areas related to the treatment of ESRD, offering services that are now outside the dialysis services revenue. These services include vascular access, hydration and bone mineral management, renal selective pharmacy and comprehensive care. Clearly, we will need to optimize the dialysis setting to best fit the needs of the ESRD patients, such as clinic, home or “just like home” assisted dialysis. We are developing protocols and technology that will support these growth opportunities.

Slide 23: Success Requires Expertise and Continuity

Fresenius Medical Care is successful for many reasons. We have a highly motivated and experienced global staff, which has an average of 20 years of service with the Company or its predecessors. Through the years, our Company has taken a complex medical process and turned it into a safe, life-sustaining procedure. At the same time, we have become extraordinarily efficient with our manufacturing processes and quality management systems. The stability, experience, guidance and continuity of the Supervisory Board are key contributors to the value we have been able to create for our shareholders over the past 15 years. In fact, all of Fresenius Medical Care’s accomplishments are a result of the expertise and dedication of the Management Board---a truly outstanding management team with unique skill sets and broad business backgrounds.

Slide 24: Summary

In closing, Fresenius Medical Care has retained its global leadership position and we continue to shape the future of the dialysis industry. Our focus is always on superior quality in both products and services. We have the ability to grow through the expansion of our clinic network and to grow by expanding our product portfolio and adding new services. The Company is financially attractive, which enables us to fund our growth.

Slide 25: Thank You

I would like to express my gratitude and appreciation to you, the shareholders of Fresenius Medical Care, for your continued support and trust. At the end of the current financial year, I will be passing the baton to my able successor and colleague, Rice Powell, who has contributed enormously to the success we today enjoy at FMC. I have no doubt that Rice and his management team will surpass our previous accomplishments. I am honored to have participated in the evolution of the dialysis industry for the past 46 years, including my 27 years with Fresenius and 12 years as CEO and Chairman of the Management Board of Fresenius Medical Care. I've had the pleasure to know so many patients, physicians and employees. We have created and accomplished so many great things together and I thank you for the opportunity to lead one of the greatest companies in the world.