



**FRESENIUS
MEDICAL CARE**

Annual General Meeting

Fresenius Medical Care AG & Co. KGaA



Speech to the Shareholders

by Rice Powell

May 15, 2014

Spoken word takes precedence

Good morning ladies and gentlemen,
Dear fellow shareholders,

It is my pleasure to welcome you to the Fresenius Medical Care Annual Shareholders' Meeting for fiscal year 2013. I would also like to welcome you on behalf of my colleagues on the Management Board. We are pleased that you are present today in such large numbers. Thank you for your interest in our company. We also welcome the representatives of the shareholder organizations, the members of the media, guests and everyone who has joined us on the Internet.

2 - Agenda

As part of my presentation today I will give you a general business update of where we are today and also spend some time on our strategy and where we want to be in the future. I believe we can show you that the future of our Company can be as exciting, if not more so, than our history.

3 - Introduction:

New record levels of revenue and earnings and a decade of impressive growth

In 2013 we reported record levels of revenue and earnings despite a very difficult environment. We generated revenues of more than 14.6 billion U.S. Dollars. Our net income attributable to shareholders was 1.11 billion U.S. Dollars. On a reported basis this would represent a decrease of 6% for 2013.

You might ask why am I talking about record levels of net income if the earnings after tax are down by 6% on a reported basis?

Let's remember that in 2012 we were able to generate an extraordinary - one-time investment gain - of 140 million U.S. Dollars. This was related to the acquisition of the company Liberty Dialysis. If we exclude the one-time gain from the net income in 2012 – to have a comparable basis for 2013 -

the net income INCREASED by 6% in 2013 and represents an all-time high.

Putting the 2013 results into a long-term perspective. This was not just another good year. We have had a decade of impressive growth. Since 2003 our revenue has increased by 10% per year, the operating profit (EBIT) increased by 12% per year and our net income has increased even slightly faster by 13% per year during this period. So in 10 years we clearly more than doubled our revenue - and more than tripled our earnings. I believe we can all agree that this is a truly remarkable performance.

4 - Business Update

Fresenius Medical Care Today

I am proud to say that we are continuously improving the quality of life for people with chronic kidney failure; this will always be a key pillar of our company. A key ingredient is the fact that our company is the only fully vertically integrated global provider. We provide services and products around the world. We have more than 40 production sites as part of our global manufacturing network. In every major hemodialysis product group – hemodialysis equipment, dialyzers, concentrates, and bloodlines - we continue to be the market leader in our industry with a global market share of 34% and global product revenue of 3.5 billion U.S. Dollars. One out of every two machines or dialyzers is manufactured by Fresenius Medical Care. This clearly shows our strength in terms of manufacturing related technology and capability.

The Service side of our business is equally impressive. We are the clear market leader in services, treating 270,000 patients in 3,250 clinics. This past year we delivered approximately 40.5 million dialysis treatments which reflects an increase of 5% year over year. Another way to look at

this is – we perform a dialysis treatment roughly every second, somewhere in the world.

Our core dialysis service segment overall generated revenues of 10.6 billion U.S. Dollars last year – representing 73% of our total revenues. I am pleased to say that we continue to be the GLOBAL MARKET LEADER in both dialysis services and products - in each region of the world.

I want to highlight a part of our service business that we re-categorized this year. Some years ago we began to expand in business areas that are interlocked to our core dialysis business with products and services. The services extensions in this segment will help us to approach dialysis in the future in an even more coordinated way and get even closer to our actual dialysis patients and potential patients as well. We call this part of our business “Care Coordination”. This part of our business generated approximately 500 million U.S. Dollars of revenue last year. This will be important later on, when I will give you an overview of our future through the year 2020.

5 - Achieved guidance for 2013

Let’s look at the actual results for 2013 and some of the achievements in a year that I define as very challenging for our company. We had to deal with (1) the impact from sequestration and the newly introduced medical device tax in the U.S., (2) tremendous confusion and uncertainty with the adjustment process for the reimbursement for Medicare patients in the U.S. This lasted for most of the second half of the year and had a material impact on our share price. What would the final outcome look like and in what timeframe would the rebasing of the bundle be executed?

We managed the operational challenges of fiscal year 2013 and I am very pleased that I can announce a strong set of results for the year – which represents another set of record results in the history of our company. We

generated more than 14.6 billion U.S. Dollars in revenue – an increase of 6%. Looking at the operating income we were able to surpass the 2.25 billion U.S. Dollars mark for the first time in 2013. We reported a net income attributable to shareholders of 1.11 billion U.S. Dollars - representing an increase of 6% on a comparable basis. Our operating cash flow development was again excellent. We generated more than 2 billion U.S. Dollars in Cash Flow. I think that puts my initial remarks into perspective so that we can be very proud of the results achieved AND – most importantly - it is in line with what we promised and guided you to at the Annual General Meeting last year.

6 - Revenue generation by region

Each region contributed to our revenue improvement. We generated more than 9.6 billion U.S. Dollars in North America or 66% of our total revenue. This represents a 6% revenue increase in the region mainly based on organic growth. Internationally, we saw a revenue increase of 6% in constant currency to approximately 5.0 billion U.S. Dollars representing 34% of our total revenue. In Europe, representing 21% of our revenues, our business grew to over 3 billion U.S. Dollars, an increase of 3% at constant currency. Asia Pacific grew by 8% at constant currency - representing 7% of our total revenues for 2013. We achieved outstanding performance again in Latin America with an impressive growth of 15% in constant currency – representing 6% of our total revenue.

This success was only possible because we have an outstanding team at Fresenius Medical Care - a team that showed again a tremendous amount of dedication, expertise and energy. I especially want to recognize the efforts of our more than 90,000 employees around the world - as well as the entire Management Board. No matter how difficult the circumstances - or how challenging the events can sometimes be -, our employees consistently deliver superior products and compassionate care for our patients and their communities. Fresenius Medical Care owes its success

and leading position to the dedication and superior work ethic of our talented employees – they are making a clear difference in patients' lives – each and every day. I would like to take the opportunity at this point and say: **Thank you!**

7 - Dividend

People have asked since the reported earnings fell by 6%: does that mean that we should expect a decrease in the dividend as the Company normally aims for a profit-oriented dividend policy? Simple answer. **No** – we will not be doing that – decreasing the dividend was not an option for us. Instead, I am proud to say that we are proposing to the Annual General Meeting today the 17th consecutive dividend increase. The proposal is to increase the dividend per share to 77 Euro-cents up 3% from prior year.

If the Annual General Meeting accepts the proposal, total dividends of 232 million Euros will be distributed for 2013. This represents a payout ratio of 28%.

8 - Share Price Performance

It is true that our share price failed to keep pace with the strong performance of the DAX last year. This is partly due to the nature of investing, as investors do not necessarily invest in defensive stocks like FMC when markets are on the rise. Additionally, it is due to the protracted discussions about cutting the reimbursement rates for dialysis treatments in the U. S., which is such a crucial market for us – generating 66% of our revenue. For a long time, it was not clear to us and our investors - how - and by how much - the proposed reimbursement changes would affect the dialysis industry going forward. The final decisions hit us hard, and will significantly impact our earnings growth in 2014. The performance in the first quarter was an indicator of such – and that is also reflected in the

share price performance in the last 12-15 months. However, we as a Management Board are committed to deliver long-term value.

Let us take a look at the share price from a slightly different perspective and consider the total financial return that we have been able to generate over the past years. In this context the dividends we pay each year are included in the return to stakeholders. Over the timeframe from - 2003 to 2013 - the ordinary shares generated an average annual return of 15%. At the same time the DAX-Index showed an annual return of 11% and the more healthcare related Dow-Jones Eurostoxx healthcare index generated annual returns of 8%. Our performance has generated a good return for our shareholders. I am confident that we have achieved a strategic position for the Company that will allow us to successfully continue on our growth path and increase Fresenius Medical Care's corporate value in the long-term.

9 - Outlook for 2014

Now, a brief summary of what to expect for fiscal year 2014. We expect to achieve revenues of around 15.2 billion U.S. Dollars - an increase of 4%. As mentioned before this is a reflection of the reduced reimbursements for our Medicare patients in the U.S. that we have to digest in 2014 and 2015. We are guiding to a net income for 2014 of 1.0-1.05 billion U.S. Dollars which is below the level of 2013 of 1.11 billion U.S. Dollars. This guidance reflects the lower reimbursement level and the cost of care for our U.S. patients. The performance in the first quarter of the year was in line with the full year guidance I just mentioned and we confirm the guidance we gave you in February of this year.

This being said does not mean that we are standing still. Just the opposite is the case. To mitigate some of the cost pressures that will not be covered by the government reimbursement in 2014 and 2015 we initiated a Global Efficiency Program looking across all parts of our business. Part of

the program will be to find further potential cost savings for example in the area of procurement or in the global manufacturing process. In addition to our net income guidance we expect cost savings of up to 60 million U.S. Dollars before taxes for 2014. Over time these cost savings should increase and we expect to achieve net savings of up to 300 million U.S. Dollars by the end of the year 2016. This is a major effort we are undertaking – as it is necessary to help mitigate the cost of care for our Medicare patients that are not adequately reimbursed in 2014 and 2015. More importantly we want to ensure we are operating our business as efficiently as possible. I am confident that after 2014 we will be able to show you net income growth that is more in line with our historic performance.

10 - Vision and Strategy for 2020: Development of patient numbers

We at Fresenius Medical Care are treating patients with chronic kidney failure. This is a global disease. At the end of 2013, more than 2.5 million patients received dialysis. The number of dialysis patients globally showed a growth rate of approximately 7% in 2013. We expect patient growth to be around 6% per annum going forward. By the year 2020 there will be nearly 4 million patients in the world that need treatment. There are various factors driving this development. The population is getting older, the incidence of risk factors leading to dialysis – obesity, high blood pressure and diabetes – are leading to this patient growth. This mega-trend will afford us the opportunity to provide vital and impactful solutions, while at the same time do business in a market that will grow consistently in coming years.

11 - Our Vision of Care Coordination

Obviously our Dialysis Product and – Service business will continue to grow since the patient growth continues around the globe and we will participate in their care.

Nevertheless, the actual dialysis treatment is only one part that is important for the overall health of our patients. Things like drugs - to treat all the complications that a patient can have - or the nutritional status of a patient or the laboratory results of a patient are equally important. We do provide these services today. We summarized the activities in this area under the term "Care Coordination". This includes our pharmacy prescription business, our laboratory testing business and the business area that especially focuses on the vascular access of dialysis patients.

We intend to expand these existing activities and also look at other related businesses that could provide us with additional growth opportunities in the years to come. All these activities intend to coordinate the care better for current dialysis patients as well as future patients. We will try to prevent patients in the future from crashing into dialysis - where treatment options are limited. We want to be able to identify patients earlier and have the opportunity to select different treatment options that can help patients to enter dialysis in a more coordinated and organized fashion. As an outcome of this more coordinated approach we should have opportunities to prevent hospitalization for the patients and therefore save money for the payors. The services included in "Care coordination" revenue represent approximately 500 million U.S. Dollars today, generating 3% of our total group revenues. We foresee this business segment to grow over-proportional in the years to come – organically as well as through acquisitions.

12 – New targets for 2020

One of the most important perspectives for you – our shareholders - is our new ambitious long-term revenue target.

In the year 2020 we expect to generate 28 billion U.S. Dollars in revenue!

This means that we foresee another doubling of our current revenue representing a revenue growth rate of 10% per year between 2015 and 2020. Besides the strong growth to be expected from the Dialysis service and product business you can see that the revenue contribution from the care coordination business will increase significantly from 3% to 18% in 2020.

On the earnings level we expect the earnings per share to show high single digit growth per annum in the same timeframe.

This is an ambitious target – no question – but I am determined that we can fulfill all the requirements to be able to achieve this long-term goal – by focusing on growth and efficiency.

Fresenius Medical Care has retained its global leadership position and we continue to shape the future of the dialysis industry and we will expand into renal related markets – in order to better coordinate care. Our focus is always – and will always be - on superior quality in both - products and services.

13 - End

Finally I would like to thank you – our shareholders – for your dedication and loyalty to our company and I hope we can convince you that it will be of value for you – to continue to have faith in us for the years to come.

Thank you very much for your attention.