



**FRESENIUS
MEDICAL CARE**

Annual General Meeting

Fresenius Medical Care AG & Co. KGaA



Speech to the Shareholders

by Dr. Ben J. Lipps

May 12, 2011

Spoken word takes precedence

Slide 1: Welcome

Welcome to our Annual General Meeting for fiscal year 2010. On behalf of the Management Board and the Supervisory Board, thank you for your interest in Fresenius Medical Care. We are pleased that so many shareholders are in attendance at today's meeting. We welcome the members of the media 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 the last year. In addition, I especially want to recognize the efforts of our 73,000 employees around the world, whose dedication to excellence has enabled us to achieve our financial goals. Fresenius Medical Care remains the global leader in dialysis products and services. Our stakeholders can be proud that our 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. We are committed to providing a better future for those who suffer from end stage renal disease.

Slide 2: Accomplishments and Business Update

This morning we will highlight our 2010 business accomplishments and review our financial results, including an update for the most recent quarter. We will then take a look at our global leadership position and our future growth strategy. I will also share with you the financial goals that we have set for this fiscal year, 2011.

Slide 3: Accomplishments for 2010

In fiscal year 2010, we achieved our financial targets and produced another record year for Fresenius Medical Care. We generated record revenues and earnings. We expanded our global market presence while, at the same time, focusing on research, innovation and, most importantly, achieving the highest quality of products and clinical services.

Slide 4: Fiscal Year 2010 Overview

In 2010, we generated revenue of 12 billion, 53 million dollars, achieving our target for the year. The increase in revenue was 7% supported by strong organic growth of 6%. Our operating income rose to 1.92 billion dollars for the year – a 10% increase year over year. Net income also increased strongly by 10% to 979 million dollars.

Slide 5: Excellent Revenue Growth in all Regions

Every region contributed to our revenue growth. North America, which comprises 67% of our total revenues, achieved revenues of 8.1 billion dollars, an increase of 7%. The International region, which accounts for 33% of our total revenue, achieved 3.9 billion dollars, with 8% constant currency growth. In Europe, which represents about 21% of our revenues, our business grew to over 2.5 billion dollars, an increase of 6% at constant currency. Asia Pacific achieved 777 million, which represents 7% of our total revenue and had very impressive revenue growth of 15% in constant currency. Our performance in Latin America, which represents 5% of our total revenue, was also very positive. Revenue grew by 9% at constant currency to 597 million dollars. Currently, 12% of our revenue originates from the Euro zone, with 3% from Germany.

Slide 6: Decade of Growth and Exceeded GOAL 10 Targets

I am proud to say that we surpassed our Goal 10 targets, culminating in a decade of posting strong growth in both revenue and net income for the Company. From 2005 to 2010, our revenue increased by 78% and net income increased by 115%. For the past five years, we have achieved a 12% compounded annual revenue growth rate, while we continued to pursue profitable growth opportunities around the world. As a result, net income has steadily increased over the past ten years at a 17% compounded annual growth rate, from 212 million in 2000 to 979 million in 2010. This impressive earnings trend highlights the stability of our company and the long-term dedication of our employees, Management Board and Supervisory Board.

Slide 7: We Created Jobs Worldwide

At the end of 2010, Fresenius Medical Care employed over 73,000 talented men and women. We created over 5,400 jobs last year—an indication of the strength of our business opportunities around the world. Over 60% of our staff resides in the United States and 24% of our staff is based in Europe, followed by 9% in Latin America and 7% in Asia-Pacific. Approximately half of our total employees are female. Since Fresenius Medical Care began in 1996, the total number of full time employees has grown by an average of 8% per year.

Slide 8: 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 to 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. These factors lead to our ability to be highly innovative when we develop products. Underpinning our achievements is the ever-constant support and guidance of our Supervisory Board. Their leadership has been instrumental in developing a management team with a combined tenure in the dialysis industry of more than 150 years. That's impressive.

Slide 9: Supervisory Board Continuity Contributes to Shareholder Value

Fresenius Medical Care has been fortunate to have had the leadership of outstanding individuals, each of whom has contributed to our success by generously applying their unique skill set and broad business backgrounds to each opportunity and challenge that we have had as a Company. In fact, when Dr. Krick and I started together over twenty years ago, we had over 18 equal or larger competitors. Today, Fresenius Medical Care is in a class by itself thanks to his guidance. The stability and continuity of our Supervisory Board are key factors in the value we have been able to create for our shareholders over the past decade. We thank them for their unwavering support, dedicated service and long-term commitment to Fresenius Medical Care. Today, we are asking shareholders to vote in favor of a proposal to continue our successful long-term incentive plan, which aligns the interests of key managers with the interests of the shareholders. In addition, shareholders will vote on a proposal to authorize a share repurchase plan to minimize shareholder dilution.

Slide 10: 2010/2011 Expansion

We were quite busy for the past fifteen months. We re-financed \$1.1 billion of debt. We also acquired Asia Renal Care, which was one of the largest service providers in Asia-Pacific, adding around 80 clinics. We purchased Gambro's peritoneal dialysis business to improve our market position in Asia-Pacific and Europe, offering complementary PD products and technology. We formed a joint venture with Galenica Ltd., to develop therapies for patients who suffer from iron deficiency anemia and to improve patients' bone mineral metabolism. This joint venture allows us to take an important and logical next step in implementing our global renal pharma strategy. We also acquired Euromedic's dialysis services business, which included 70 clinics. That investment will be accretive to our earnings in the first year and will enhance our market share in Eastern Europe.

Slide 11: Product Launches

On the product side of the business, in the U.S., we launched the Liberty Cyclor, the 2008T machine and re-launched the 2008K at-home machine. Internationally, we launched the 4008S Classic, and the 5008S hemodialysis machines. These additions to our product portfolio demonstrate our commitment to innovation and providing the highest quality of dialysis products and services for our patients. Our experts have authored numerous scientific publications, laying the groundwork for future technology such as our sorbent-based machines, new dialyzers and PD solutions, which will deliver superior dialysis care.

Slide 12: Global Healthcare Reimbursement Reforms

Healthcare systems in many countries have been under pressure to improve the quality of treatment while at the same time keeping healthcare costs as low as possible. Along with our peers, we worked in tandem with legislators and government officials at the Centers for Medicare and Medicaid Services (or "CMS") to arrive at a new ESRD reimbursement system that went into effect in January of 2011. Portugal had already adopted a bundled payment system in 2008, and now Spain is moving to a similar system. We have an opportunity and a responsibility to improve quality while assisting healthcare systems in their desire to control costs. Through our innovative integrated care reimbursement model, which we have piloted in the United States, we can do that.

Slide 13: Strong Balance Sheet

Looking at our Balance Sheet, as of December 31, 2010, total assets were \$17.09 billion. Shareholders' equity comprised 44% of the balance sheet total. Our total debt of \$5.8 billion increased by \$310 million in 2010. In first quarter 2010, we issued \$250 million of senior notes which have a maturity date of 2016. We used the proceeds from the issuance of these notes to pay back short-term financial liabilities and for general business purposes. In January of this year, we issued senior unsecured notes in the principal amounts of \$650 million dollars and 300 million Euros. The proceeds from the notes, which are both due in 2021, will primarily be used to repay debt and for acquisitions such as our recent purchase of Euromedic's dialysis services business.

Slide 14: Annual Dividend Proposal

As a result of the company's performance in 2010, we are proposing to the Annual General Meeting today the fourteenth consecutive dividend increase. The dividend proposal is to increase to 0.65 Euro from 0.61 Euro per ordinary share. This increase of 7% is in line with our profit-oriented strategy and is consistent with our dividend policy of recent years. If the Annual General Meeting accepts the proposal, total dividends of 197 million Euros will be distributed for 2010.

Slide 15: Share Price Development

Fresenius Medical Care's share price has developed positively over the past ten years. Our ordinary shares in Euros increased by 87%, whereas the DAX and Dow Jones Index only increased 11%. And another more industry-specific index only rose by 2%.

Slide 16: Average Yearly Value Performance

This snapshot puts into perspective our tremendous growth in the last decade. The value of our ordinary shares in Euros has increased at a 6% compound average growth rate, while the DAX and Dow Jones Index have only increased 1%.

Slide 17: First Quarter 2011 Overview

Let's briefly look at the first quarter of 2011, where we have had a very good start. We achieved approximately 3 billion dollars in revenue. This figure reflects a growth rate of 5%. Operating income – or EBIT – increased 5% to 445 million dollars. Net income for first quarter 2011 was \$221 million. First quarter was especially challenging because we were implementing the new Medicare bundled payment system, which went into effect on January 1. But our North American team is successfully managing that major reimbursement change and we are still clearly on track to meet our targets for the remainder of 2011.

Slide 18: Growth Strategy and Summary

We will now take a look at our growth strategy.

Slide 19: Market Position by Major Product Groups

In every product group—machines, dialyzers, concentrates, and bloodlines—we are the market leader. We produced around 92 million dialyzers last year, which is impressive. As you can see, one out of every two machines or dialyzers is manufactured by us.

Slide 20: World Leader in Dialysis Services

Even though we are the largest dialysis provider, treating just over 10% of the total patient population in our 2,700 clinics worldwide, there is still room to grow.

Slide 21: Development of Dialysis Patient Population

The leading causes of kidney failure are hypertension, diabetes and aging. As a result, the prevalence rates for ESRD have steadily increased over the last ten years. Estimates suggest that by 2020, there will be nearly 4 million patients who need dialysis. Globally, the number of patients who require treatment 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 and home dialysis, to make our operations even more efficient than they already are today.

Slide 22: Market Opportunity by Region

We remain the number one provider of dialysis in the major regions of the world. By 2015, the market potential will be nearly \$85 billion dollars. In North America we are the largest provider of dialysis services providing dialysis treatments to more than 137,000 patients. In Europe and Latin America, we treat twice as many patients as our closest competitors. In Asia-Pacific, we are the largest provider having expanded our market share significantly this past year.

Slide 23: 2011 Outlook Raised

We raised our guidance for 2011. We now expect to achieve net revenue of more than 13 billion dollars, which is above the upper end of our original target. Net income should now be between 1.07 and 1.09 billion dollars. We anticipate spending about 5% of revenue for capital expenditures and 1.2 billion for selective acquisitions.

Slide 24: Summary

In closing, Fresenius Medical Care is well positioned for future growth in the dialysis market. We will continue to shape the future of the market and retain our leadership position, keeping quality as our number one priority. We will continue to grow our clinic network, expand our product and service offerings and innovate.

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 in us, and we look forward to more successful years in the future.