



**FRESENIUS
MEDICAL CARE**

Annual General Meeting

Fresenius Medical Care AG & Co. KGaA



Speech to the Shareholders

by Rice Powell

May 16, 2013

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 2012. I would also like to welcome you on behalf of my colleagues on the Management Board as well as our Supervisory Board. We also welcome the representatives of the shareholder organizations, the members of the media, guests and all who have joined us on the Internet. For me personally this is my first Annual Shareholder Meeting as the Chief Executive Officer and Chairman of the Management Board of our Company as of January 2013.

I am pleased that I can announce a strong set of results for the fiscal year 2012 – which represents another set of record results in the history of our company.

This success didn't happen by accident – it was only possible because we are a good team. There is a huge amount of dedication, expertise and energy at Fresenius Medical Care. I especially want to recognize the efforts of our more than 86,000 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. You, as our stakeholders can be proud that - because of these employees - our company is indeed making a difference in patients' lives.

The fact that so many of you attend this shareholder meeting - year after year - shows me your continued interest in our company and your long-term commitment. Both of which are extremely important to me personally, as well as to the company. The theme for our 2012 annual report is "Continuity" and we have tried to show our "Commitment" and the long-term success we have had – and will have - as a company over many years to come.

We all must recognize – times are not getting any easier and health care systems around the globe are struggling. In 2011, in the U.S., we have had to deal with a 2 percent reimbursement cut when the new reimbursement system was introduced in the U.S. – commonly called "the bundle". We are dealing with another 2 percent cut as a result of sequestration in 2013 in the U.S., and various countries in the International region are not able to pay the necessary

reimbursement increases as well. Nevertheless! We have had to deal with many of these types of hurdles in the past and we have always been able to achieve good results in each and every year since the foundation of the company back in 1996.

Let's take a closer look at 2012. The fiscal year 2012 was once again a year of record financial results for our Company. Our revenue reached 13.8 billion US\$, up 10% from 2011. In the same period, our net income attributable to shareholders grew on a reported basis by 11% to 1.19 billion US\$, another milestone for Fresenius Medical Care. Besides a non-taxable investment gain we also took a special charge in 2012 for the re-negotiation of a contract in North America and we made a donation to the American Society of Nephrology. The net effect of these three items was a positive impact of about 70 million US\$ on our net income – therefore – the net income adjusted for these items increased by 4% to 1.12 bn US\$ - this is in line with what we promised you at the Annual General Meeting last year. In addition, our operating cash flow development was excellent and for the first time in the history of the Company, we surpassed the milestone of 2 billion dollars US\$. We achieved this positive business performance in spite of many challenges, including the integration of several large acquisitions, a much tougher economic environment for our product business and our efforts to help patients and employees following several natural disasters such as Superstorm Sandy in North America. Both business segments – North America and International - performed in line with expectations. The Dialysis services business grew by 15% and products grew by 5% in constant currency. We expanded our global market share organically as well as with acquisitions. With these results we achieved our targets for 2012 – even though we were at the lower end of the range we indicated in the course of the year.

Condensed statement of income
in \$ M

	2012	2011	Change
Net revenue	13,800	12,571	10 %
Cost of revenue	9,199	8,419	9 %
► Gross profit	4,601	4,152	11 %
In % of revenue	33.3	33.0	–
► Operating income (EBIT)	2,219	2,075	7 %
Investment gain	140	–	–
Interest expense, net	427	297	44 %
► Earnings before taxes	1,932	1,778	9 %
► Net income	1,187¹	1,071	11 %

¹ Net income attributable to the shareholders of Fresenius Medical Care AG & Co. KGaA. The number includes a non-taxable investment gain of \$140M and after tax charges in the amount of \$71 M related to the amendment of the agreement for the iron product Venofer in North America and a donation to the American Society of Nephrology.

Let's look at revenue generation. Each region contributed to our revenue improvement. With more than 9 billion US\$ in revenue we generate about 65% of our revenue in North America. Supported by acquisitions this represents a 14% revenue increase in the region. Internationally, we saw a revenue increase of 9% in constant currency to more than 4.7 billion US\$. We generate 35% of our revenues internationally. In Europe, representing 21% of our revenues, our business grew to 2.9 billion dollars, an increase of 6% at constant currency. Fifteen percent of our revenue originates from the Eurozone, with 3% originating in Germany. We achieved outstanding performance in Latin America with a very impressive growth of 24% in constant currency – representing 6% of our total revenue. For the first time we passed the 1 billion US\$ revenue threshold in Asia Pacific which represents 8% of our total revenues for 2012. Our focus was and will be on integration and further cost efficiency - based on the sizeable acquisitions that were done in recent years, such as –Liberty Dialysis Holdings Inc. in North America, Euromedics in the International area and the Gambro PD-business, all of which significantly advanced our ability to provide care for more patients in these regions.

Revenue by region
in \$ M

	2012	2011	Change	Percentage of total revenue
North America	9,031	7,926	14%	65%
Europe/Middle East/Africa	2,893	2,948	-2%	21%
Latin America	804	700	15%	6%
Asia-Pacific	1,043	980	6%	8%
Corporate	29	17	70%	0%
► Total	13,800	12,571	10%	100%

Now, let's take a look at our dialysis services franchise. We ARE the global market leader. We expanded our clinic and patient network substantially in 2012 – organically as well as through acquisitions. In 2012 we performed 38.6 million dialysis treatments globally, which reflects an increase of 12% year over year. We provided care to around 258,000 patients in more than 3,100 dialysis clinics around the globe. Another way to look at this is – we perform a dialysis treatment for a patient every 0.7 second, somewhere in the world.

Patients

	2012	2011	Change
North America	164,554	142,319	16 %
Europe/Middle East/Africa	48,902	48,346	1 %
Latin America	26,956	25,381	6 %
Asia-Pacific	17,504	17,110	2 %
► Total	257,916	233,156	11 %

Treatments

in M

	2012	2011	Change
North America	24.41	21.61	13 %
Europe/Middle East/Africa	7.49	6.60	13 %
Latin America	4.10	3.68	11 %
Asia-Pacific	2.59	2.50	4 %
► Total	38.59	34.39	12 %

Clinics

	2012	2011	Change
North America	2,082	1,838	13 %
Europe/Middle East/Africa	608	600	1 %
Latin America	225	218	3 %
Asia-Pacific	245	242	1 %
► Total	3,160	2,898	9 %

Revenue by segment

in \$ M

	2012	2011 ²	Change	Exchange rate effects	Organic Growth	Acquisitions/divestitures (net)
North America						
Dialysis products	801	813	-1 %	0 %	2 %	-3 %
Dialysis services	8,230	7,113	16 %	0 %	4 %	12 %
► Total	9,031	7,926	14 %	0 %	4 %	10 %
International						
Dialysis products	2,478	2,458	1 %	-6 %	7 %	0 %
Dialysis services	2,262	2,170	4 %	-7 %	6 %	5 %
► Total	4,740	4,628	2 %	-7 %	6 %	3 %
Worldwide						
Dialysis products ¹	3,308	3,288	1 %	-4 %	6 %	-1 %
Dialysis services	10,492	9,283	13 %	-2 %	4 %	11 %
► Total	13,800	12,571	10 %	-2 %	5 %	7 %

¹ Including revenue generated by corporate functions in the amount of \$29 M for 2012 and \$17 M for 2011.

² Revenue of 2011 had been adjusted by \$-224 M according to a U.S. GAAP accounting change.

The global dialysis services business generated revenues in 2012 of nearly 10.5 billion US\$ or an increase of 13% year over year – representing 76% of our total revenues. On the reimbursement side of the service business we have seen a flat or decreasing reimbursement environment in countries like Portugal, Romania or Slovenia but we also have seen inflation adjusted price increases in the U.S., United Kingdom, Slovakia and most countries in Latin America. I am pleased to say that we continue to be the number one provider of dialysis services in each region.

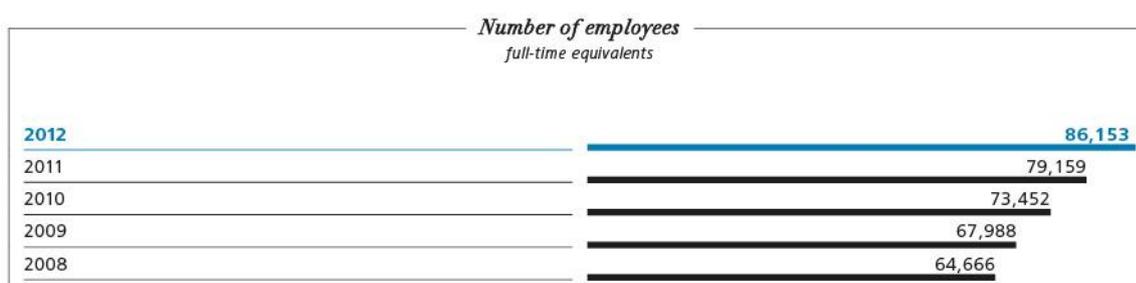
Our market position on the product side is equally impressive. In every major hemodialysis product group - machines, dialyzers, concentrates, and bloodlines - we are the market leader in our industry. Looking at the two major product groups in hemodialysis - dialyzers and machines -- we have a leading global market share of 45% and 55% respectively. This means that one out of every two machines or dialyzers is manufactured by Fresenius Medical Care. 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 it is even higher at more than 90%. Worldwide, about 220 million dialyzers are being manufactured and we as Fresenius Medical Care produced approximately 100 million of those, which shows our strength in terms of production technology.

Market position in major product groups in 2012

	1st	2nd	3rd
Dialyzers	Fresenius Medical Care	Gambro	Nipro
Dialysis machines	Fresenius Medical Care	Nikkiso	Gambro
Concentrates for hemodialysis	Fresenius Medical Care	Fuso	Gambro
Bloodline systems	Fresenius Medical Care	Gambro	Kawasumi
Products for peritoneal dialysis	Baxter	Fresenius Medical Care	Terumo

Source: Company data and estimates

Fresenius Medical Care owes its success and leading position to the dedication and superior work ethic of our talented employees. At the end of 2012, Fresenius Medical Care employed over 86,000 men and women an increase of 9% year over year mainly due to our global expansion. We added 7,000 new jobs globally. Our workforce has more than doubled over the last 10 years. 59% of our staff resides in the United States and 24% of our staff is based in Europe, followed by 10% in Latin America and 7% in Asia-Pacific. Of our total workforce 77% of the employees are in the dialysis services segment. These are the employees that touch patients' lives on a daily basis. 23% of the employees are in the dialysis products segment continuing to focus on producing outstanding and innovative products to benefit patients. Diversity is important today in our business. In Fresenius Medical Care about 70% of our employees are female. Approximately 31% of the employees in upper management positions are also female.

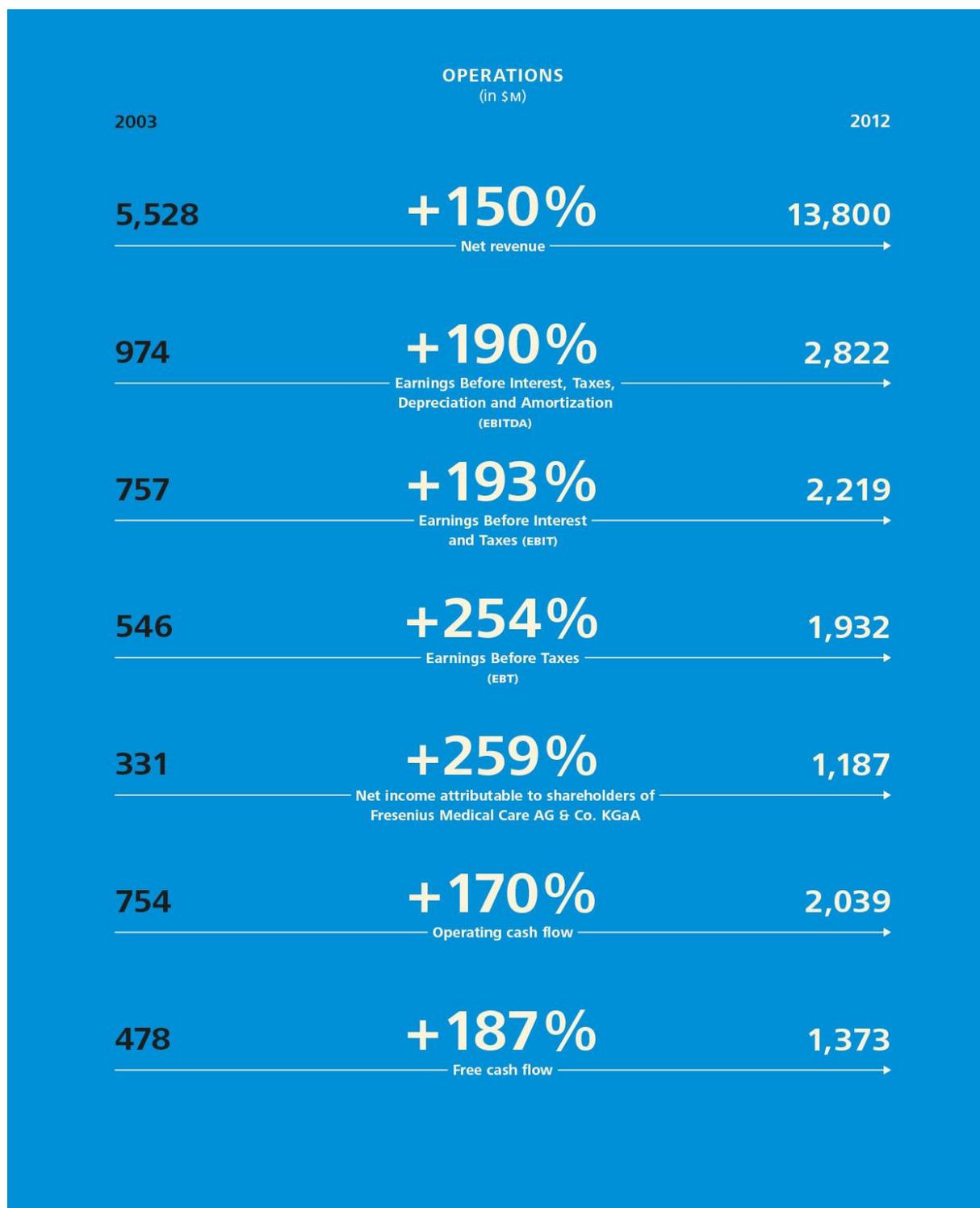


Percentage of men and women in the Company

	2012	2011
Total employees in %		
Male	30	31
Female	70	69
Employees in upper management positions in %		
Male	69	70
Female	31	30

Source: Company data, based on headcount

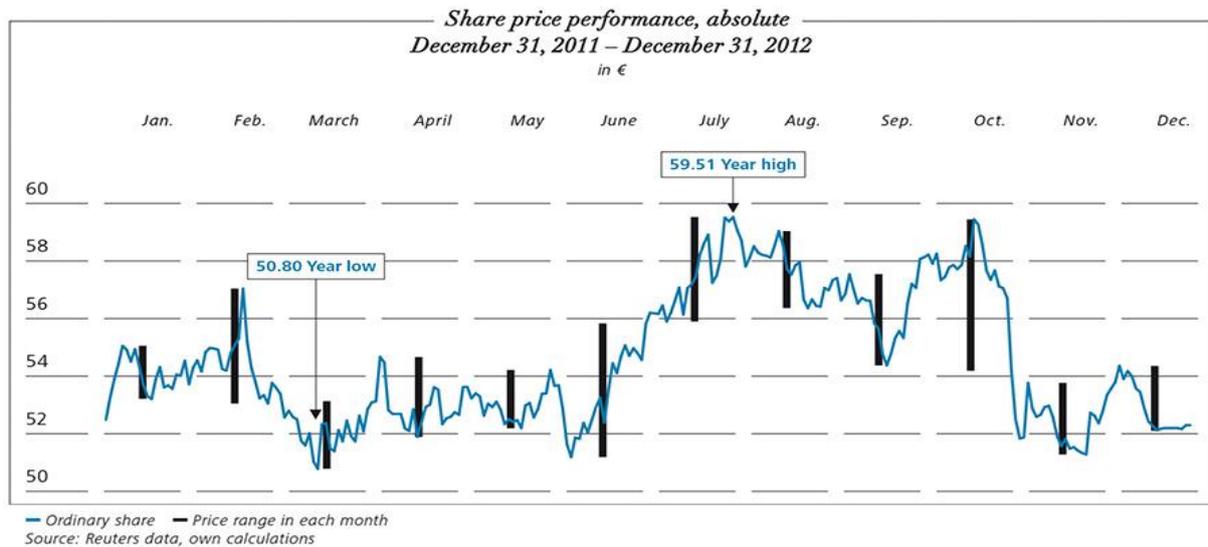
I would like to take the opportunity to put our 2012 results into perspective. This was not just one good year. We have had a decade of impressive growth. Two examples: Since 2003 our revenue has increased by 150% and our net income attributable to shareholders has increased by 259% in the same period. For the past ten years, we have achieved a more than 11% compounded annual revenue growth rate and a 15% net income growth. We can all agree this is a truly remarkable performance.



Let's discuss our share price performance. We, as a Management Board, are interested in delivering long-term value. Let's look at share price from a slightly different angle and consider the total financial return that we have been able to generate over the past 10 years. Total financial return means that the dividends we pay each year are included in the return to stakeholders. Over the last decade - 2003 to 2012 - the ordinary shares generated a total return of 360% equivalent to an average annual return of 16%. 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 5%. This performance allows us to say that we generated a good return for our shareholders.

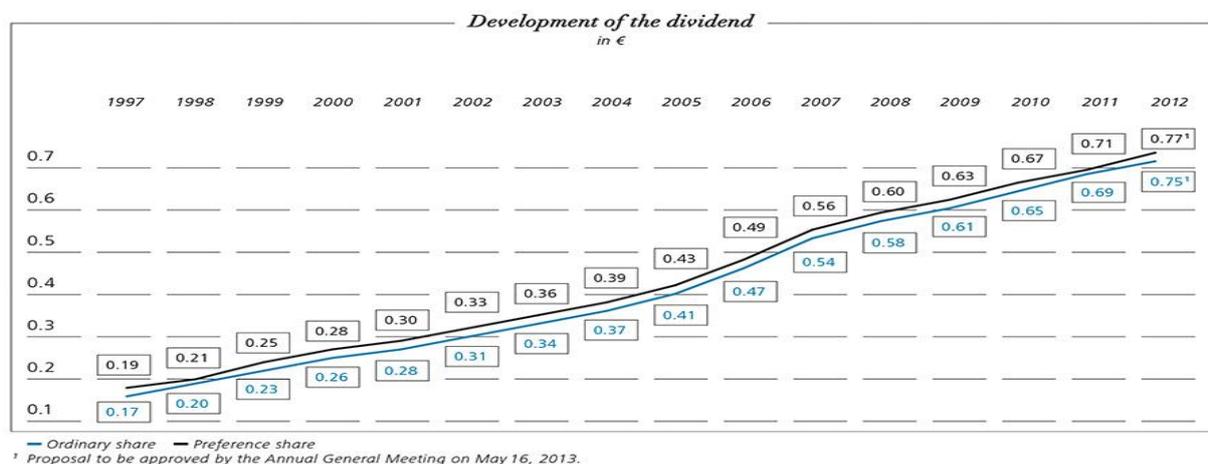
In 2012 the shares of our company performed modestly in terms of simple, relative share price performance. I believe one of the reasons for this is that we have seen a very positive stock market environment where the DAX-Index was up by 29% in 2012. Stocks like ours that are classified as defensive, only showed an average performance. Despite record results, our share price in 2012 was flat compared to 2011. In addition the discussion in the U.S. about potential changes in the reimbursement system for dialysis patients and the automatic budget cuts of 2% - the so called sequestration for 2013 - impacted our share price development in 2012. Our continued positive revenue and earnings performance have bolstered the share price performance and kept our valuation multiples on a high level and I would suggest to you that we have done as a company what we can - to support the situation.

Obviously, external market thinking can look at different short-term influences that might overshadow the operational performance. Please allow me to describe the additional steps that we have proposed to generate further long-term shareholder value.



First - our dividend payout for 2012 and the new dividend policy going forward for the mid-term. I am proud to say that as a result of our performance in 2012, we are proposing to the Annual General Meeting today the sixteenth consecutive dividend increase. The proposal is to increase to 75 Euro cents from 69 Euro cents per ordinary share, or 9%. In the past, our earnings driven dividend policy called for an increase of 50% of the net income increase. For 2012 we are already above that rate as we propose to increase the dividend by 80% of the earnings after tax increase - which is 11%. If the Annual General Meeting accepts the proposal, total dividends of 230 million Euros will be distributed for 2012. This represents a payout ratio of 26% versus 25% in 2011.

Second - we will revise our mid-term dividend policy. In the future the dividend for our company should grow approximately in line with the growth in earnings per share. Third - we have also announced a share buy-back program of up to 385 million Euro (500 million US\$) which we will start after this AGM.



Now, I would like to discuss topic 6 that we have on today's agenda– the resolution to convert the remaining outstanding preference shares into ordinary shares. The management board and the supervisory board of the company have approved a proposal to optimize our capital structure by eliminating the small amount of outstanding preference shares, which represent about 1.3% of our companies' total share capital. We would like to ask you today in this meeting as well as in a separate meeting of the preference shareholders afterwards to approve the mandatory conversion of all the preference shares into ordinary shares on a 1:1 basis.

The conversion will be effected without a requirement for any additional payment by preference shareholders. However, the company has been in discussions with a major preference shareholder, a reputable European financial institution, holding approximately 77% of the outstanding preference shares, who has agreed with the company to consider supporting the proposed resolution and has furthermore undertaken to pay a conversion premium to the company relating to its preference shares. The premium amount corresponds to an agreed upon value of the average spread during the 3-month period from January 1, 2013 through March 31, 2013 between the preference shares and the ordinary shares of approximately €9 per preference share or €27 million for the major preference shareholder's total preference share position. In the invitation of today's Annual shareholder meeting we provided you with quite some detail in the report of the General Partner on the agenda item 6 to 8 and on agenda item 1 and 2 of the separate meeting of preference shareholders which we will have after this meeting.

The small amount of outstanding preference shares of less than 4 million shares – compared to nearly 303 million outstanding ordinary shares – has shown a very low level of acceptance and liquidity in the past years. We think having the unique opportunity to be able to convert to "one share – one vote" and not having different share classes with different rights outstanding is a compelling proposal which optimizes our capital structure going forward. Therefore, the General Partner and the Supervisory Board propose to you – the ordinary shareholders – to pass this resolution.

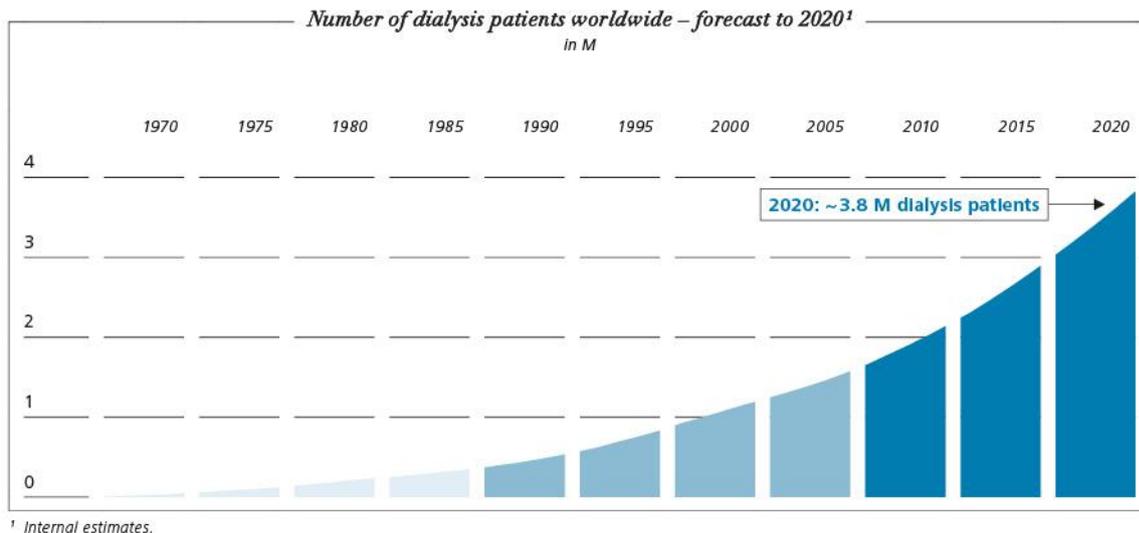
Now, a brief summary of what to expect for fiscal year 2013. We expect to achieve revenues of more than 14.6 billion US\$ or an increase of more than 6%. The net income attributable to shareholders is expected to be in the range of 1.1 to 1.2 billion US\$. On a like for like basis – meaning one has to adjust 2012 for the investment gain achieved – this would represent an increase of 5-15% to the bottom line. The higher end of this range assumes that - the U.S. budget cuts due to sequestration that are in place since April 1st - will be repealed. From today's perspective we expect to be in the lower half of that range, because as the year progresses it looks less likely for a positive change. Either way this will be another very strong year for our company despite all the obstacles we are dealing with globally.

Looking into the future. We at Fresenius Medical Care are treating patients with chronic kidney failure. This disease is a global problem. At the end of 2012, nearly 3 million patients were being treated, of whom 2.3 million had a dialysis treatment and about 650,000 received a transplant. Approximately 24% of the global dialysis patients were treated in North America, 27% in Europe, 10% in Latin America, and 39% in Asia Pacific. The number of dialysis patients globally showed a growth rate of 7% in 2012. We expect patient growth to be around 6% per annum going forward. Having this in mind that would mean that by the year 2020 there will be nearly 4 million patients in the world that need treatment – nearly double the patient population we have today. There are various factors driving this development. The population is getting older, the incidence of risk factors leading to dialysis – like obesity, high blood pressure and diabetes – are driving patient growth. This trend will afford us the opportunity to provide vital and impactful solutions, while at the same time do business in a market niche that will grow consistently in coming years. We expect this market to grow from 75 billion US\$ today to about 100 billion US\$ by the year 2020.

Expected growth in patient numbers in 2013¹

	<i>Change</i>
North America	~ 5%
U.S.	~ 4%
Europe/Middle East/Africa	~ 4%
EU	~ 2%
Asia-Pacific	~ 10%
Japan	~ 2%
Latin America	~ 6%
► Worldwide	~ 6%

¹ Internal estimates.



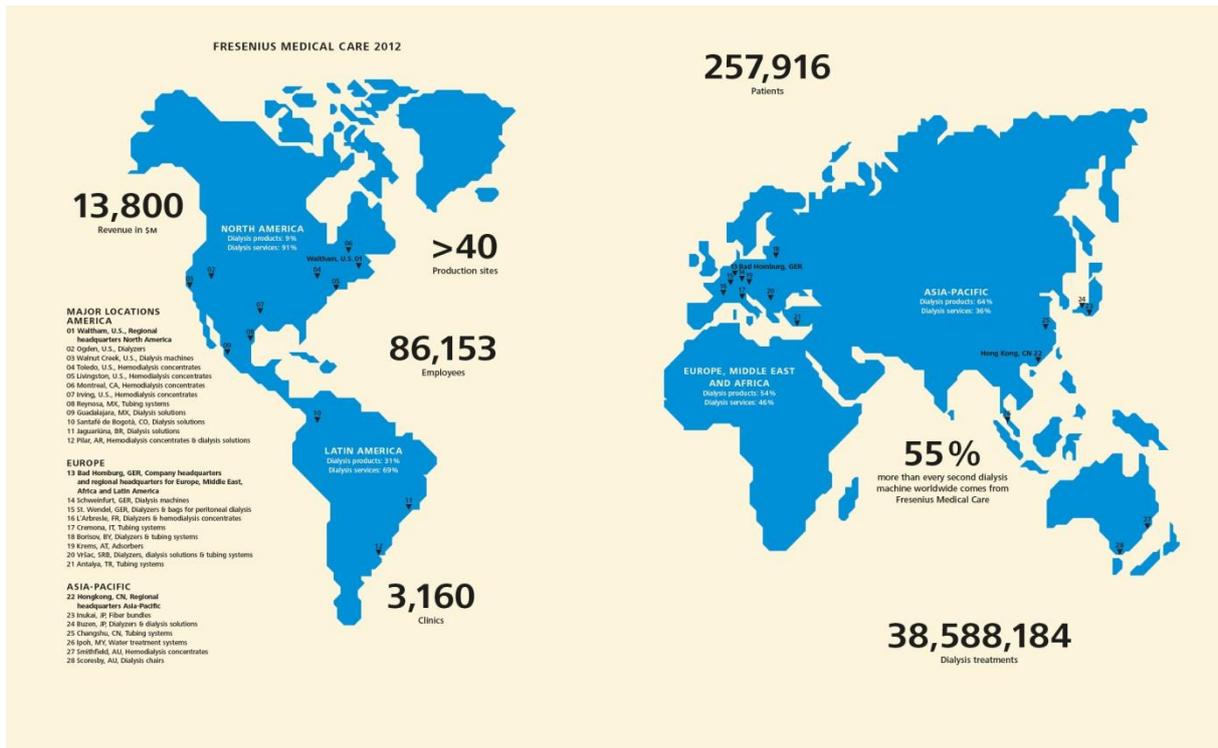
We at Fresenius Medical Care, have a long history that can be divided into three phases of growth and development. Phase One covers the period from 1985 to 1996. During that time, Fresenius AG expanded its product business geographically, primarily in the U.S. Starting in 1985, revenues in the dialysis 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. Revenues grew from 900 million dollars in 1995 to approximately 14 billion dollars in 2012. As we view Phase Three starting in 2013, the future is 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 an excellent technology platform. We see tremendous growth potential in various areas related to the treatment of ESRD, offering services that are now outside the normal dialysis services revenue. Services like vascular access, hydration and bone mineral metabolism, renal specific pharmacy and comprehensive care. Clearly, we will need to optimize the dialysis setting to best fit the needs of the ESRD patients, such as clinics, home or “just like home” assisted dialysis. We are developing protocols and technology that will support these growth opportunities.

With this - my last slide - let me summarize what I think will be our growth strategy to ensure a long-term continued success. Fresenius Medical Care has retained its global leadership position and we continue to shape the future of the dialysis industry in a market that will grow overall at 4% per annum in constant currency to 100 billion US\$ in 2020. Our focus is always – and will always be - 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. We think our business model of vertical integration will be advantageous for future developments in this industry. We will continue to invest in our people and must continue to be innovative not only in products but also in the therapies we offer.

Fresenius Medical Care is successful for many reasons. We have a highly motivated, experienced and diverse 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. We have become very efficient with our manufacturing processes and quality management systems – but we know, we have to do even more. The dedication, experience and continuity of our team are key contributors to the value we have been able to create for you as shareholders over the past years. There is no need to react to short-term influences or take excessive risk. We are THE RENAL COMPANY – this is our mission, and we will maintain our focus for the long term.

THANK YOU!



FINANCIAL CALENDAR

Report on Half year 2013

July 30, 2013

Report on 3rd quarter 2013

November 5th, 2013

Report on Full year 2013

February 25, 2014

Annual Shareholder Meeting 2014

May 15th, 2014