



Shaping the Future of the Dialysis Industry Worldwide

Dr. Ben Lipps, CEO & Chairman of the
Management Board

Capital Markets Day

September 20-21, 2007



Fresenius Medical Care



1. Company Today

2. Market Potential

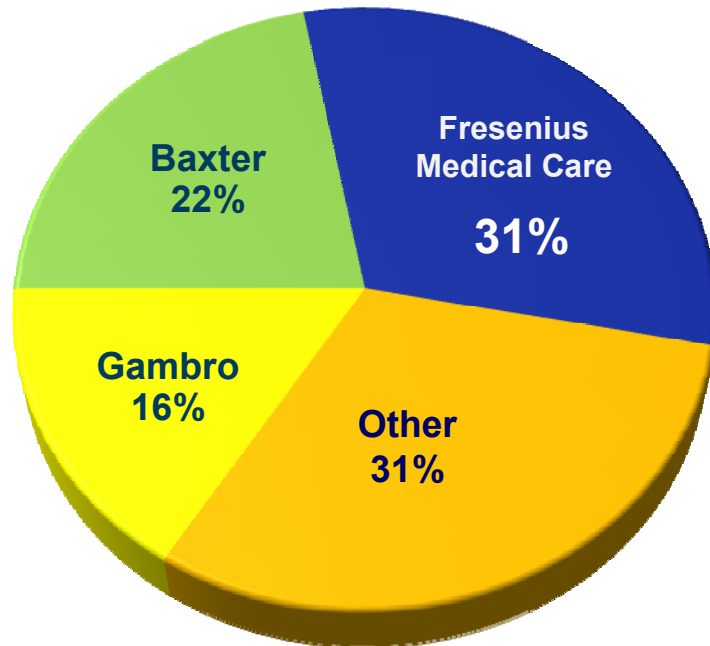
3. Growth Strategy: Shaping the Future of Dialysis

4. Summary

World Leader in Products & Services

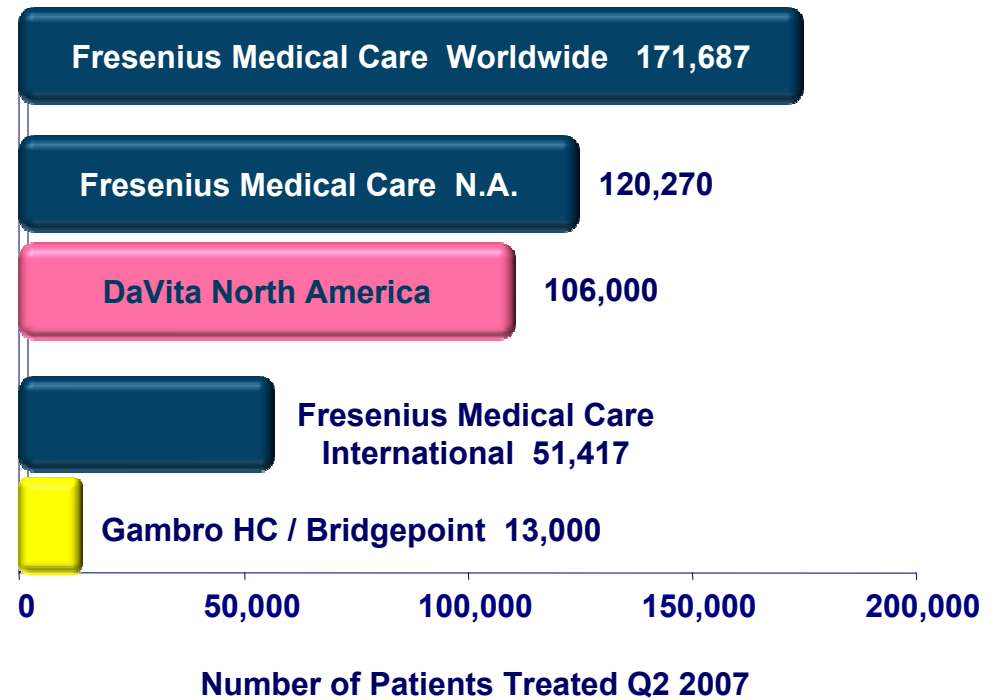


\$9 billion Products Market



2006

\$45 billion Services Market

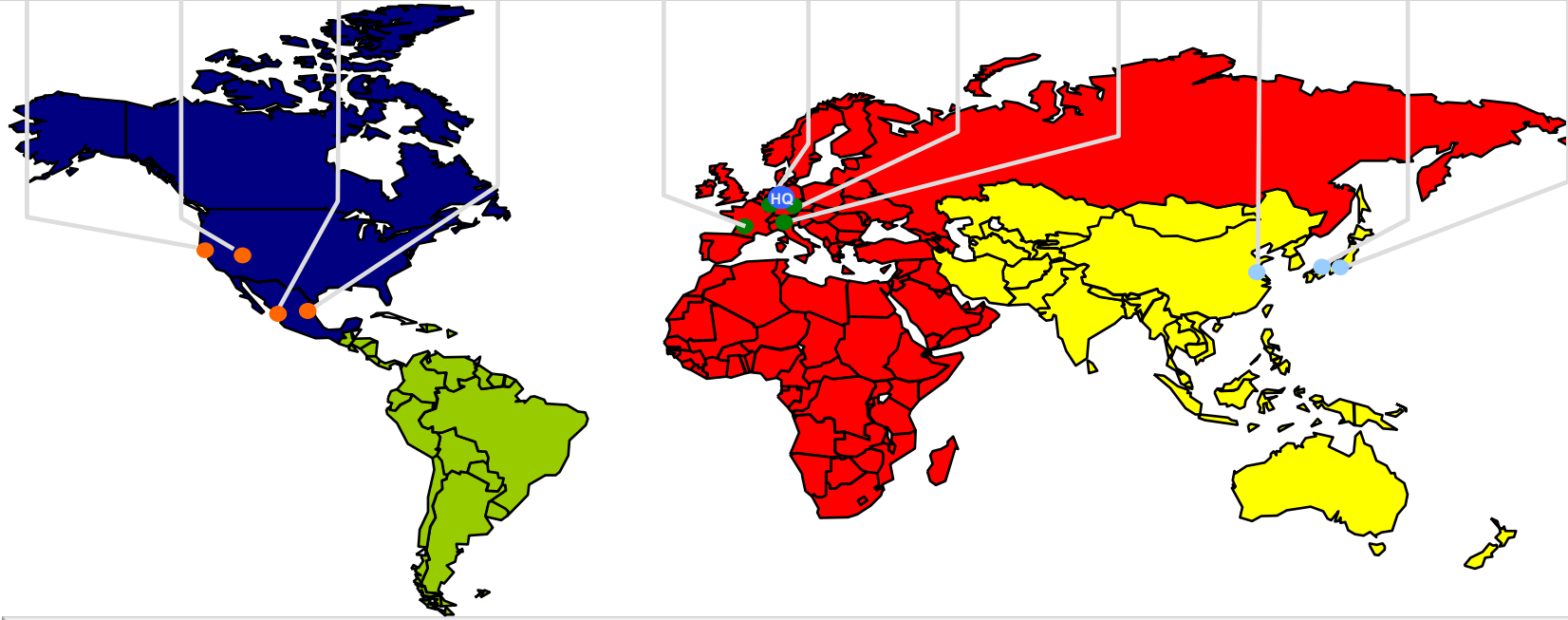


Source: Company estimates

Industry's Only Vertically Integrated Provider



Walnut Creek U.S. Ogden U.S. Guadalajara Mexico Reynosa Mexico L' Arbresle France St. Wendel Germany Schweinfurt Germany Cremona Italy JiangSu China Buzen Japan Inukai Japan



Worldwide #1	North America	Latin America	Europe	Asia/Pacific
Clinics 2,209	Clinics 1,581	Clinics 170	Clinics 353	Clinics 105
Patients 171,687	Patients 120,270	Patients 17,549	Patients 26,115	Patients 7,753*

* including clinics where FME has in interest of at least 10% the amount of patients treated would be 10,994 patients in 144 clinics

Company: Management Structure



Fresenius Medical Care

Ben Lipps
Chairman & Chief Executive Officer

Emanuele Gatti
Chief Executive Officer
Europe, L. America,
Middle East & Africa

Roberto Fusté
Chief Executive Officer
Asia Pacific

Lawrence Rosen
Chief Financial Officer

Rice Powell
Co-Chief Executive Officer
North America & President
Renal Therapies Group

Mats Wahlstrom
Co-Chief Executive Officer
North America & President Fresenius
Medical Services North America

Rainer Runte
General Counsel &
Chief Compliance Officer

Decentralized Structure

- Proximity to patients and customers
- Awareness of local environment and needs
 - Focused activities
- Local production & distribution facilities
- Combination of more than 150 years in the dialysis industry



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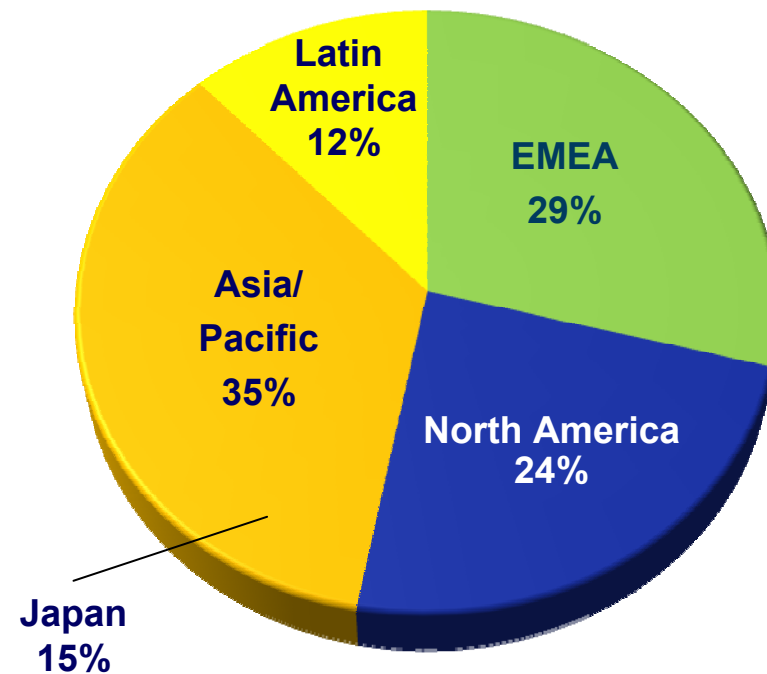
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Sustainable Patient Growth of 5-6% p.a.

~ 2 Million Patients Worldwide by 2010

North America	3%
Europe	4-5%
Latin America	10%
Asia-Pacific	6%
Worldwide	5 - 6%



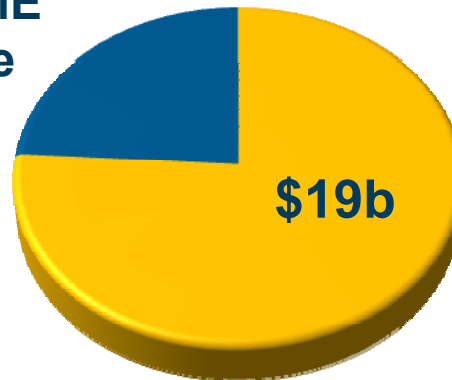
Market Opportunity



Fresenius Medical Care

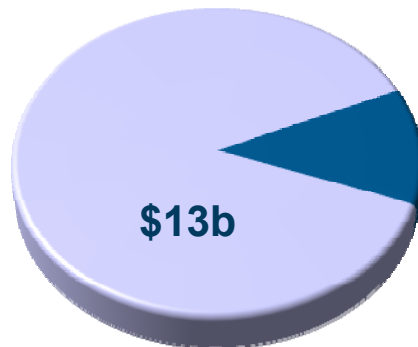
U.S.

**\$6 Billion FME
Market Share**



**• \$25 Billion Total
Market**

Europe



**\$1.8 Billion FME
Market Share**

• \$15 Billion Total Market

Asia Pacific



**\$0.4 Billion FME
Market Share**

• \$12 Billion Total Market



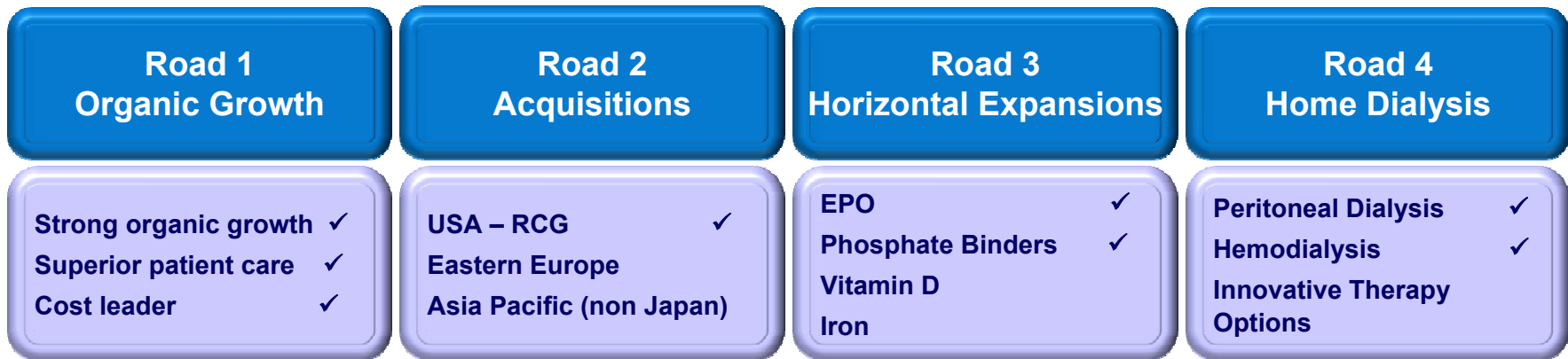
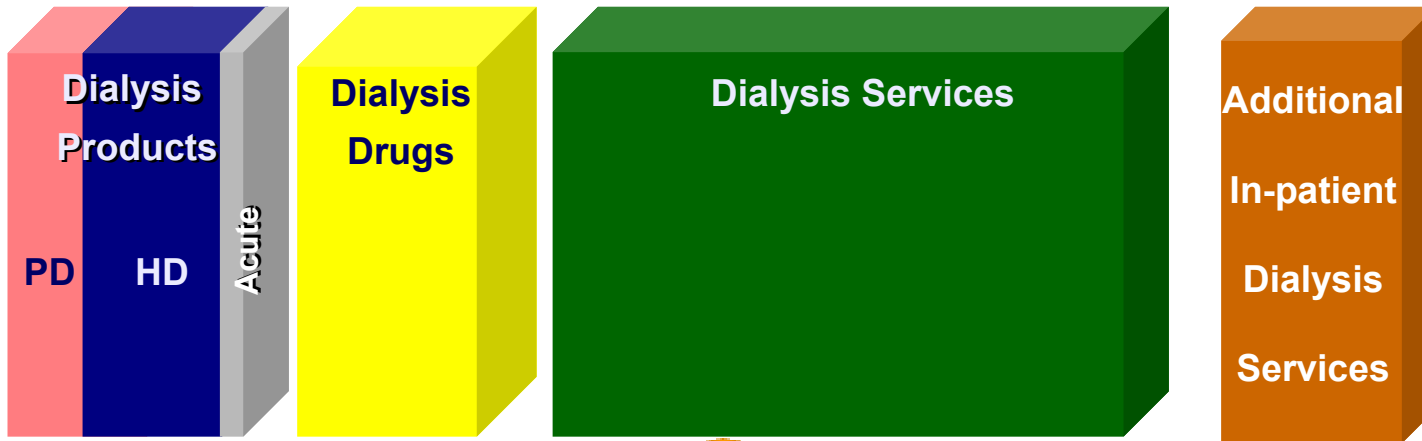
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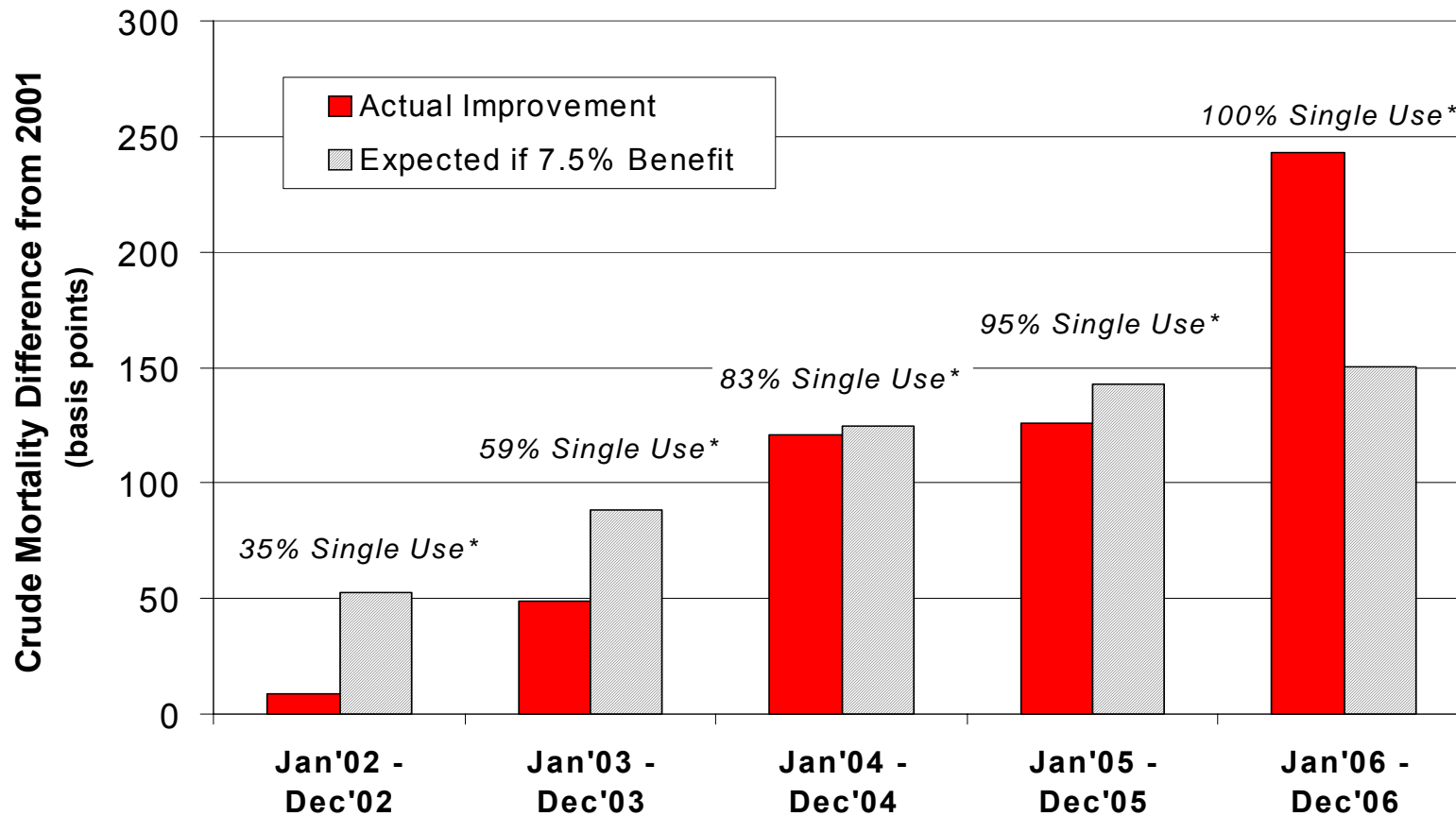
3. Growth Strategy: Shaping the Future of Dialysis

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\$67 billion Dialysis Market 2010



Reduction in Crude Mortality Confirms Expectations from Single Use Paper



* Percent of patients on single use dialyzers for at least 4 months ("lag period").

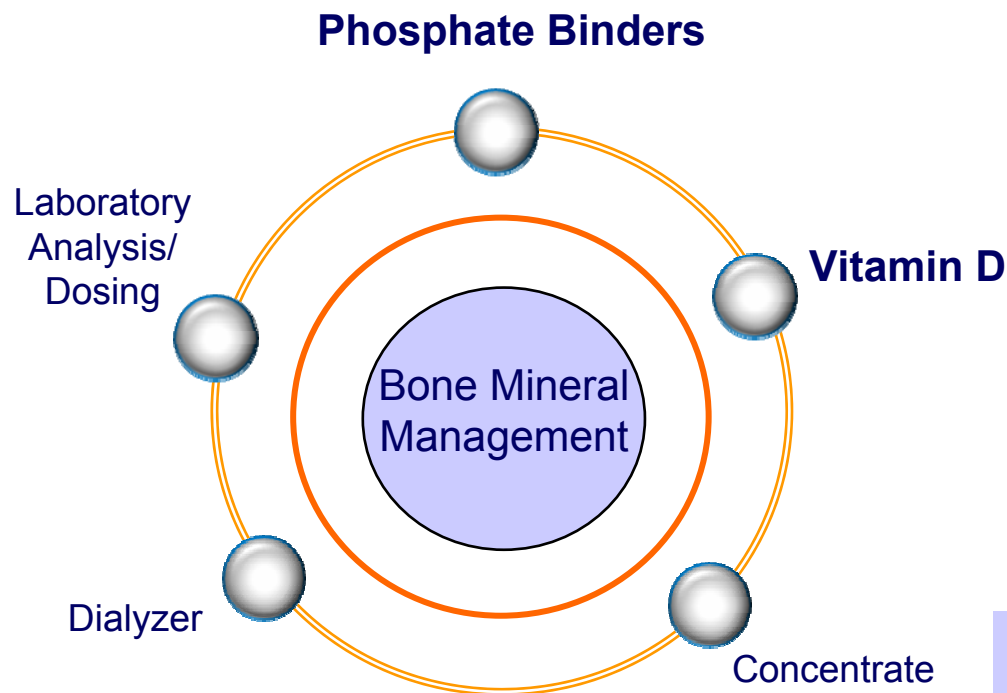
Data source = FMCNA Data Warehouse

Horizontal Expansion



Fresenius Medical Care

Renal Drug Initiative - Combine membrane, delivery and laboratory technology with proven dialysis drugs to provide superior outcomes



Current therapy not optimal

Major medical need in dialysis

Potential market sizes:

Phosphate binders	> \$500 m
Vitamin D	>\$400 m

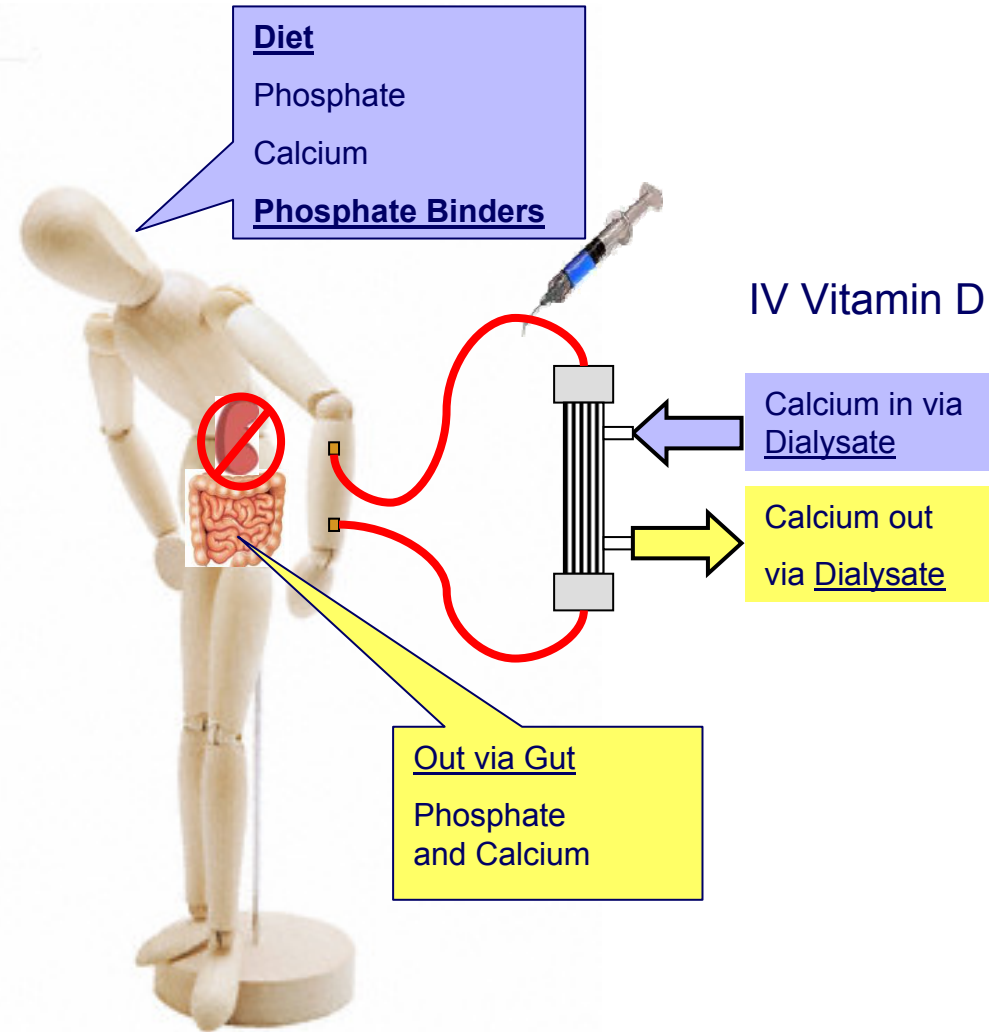
Source: Company estimates

Horizontal Expansion



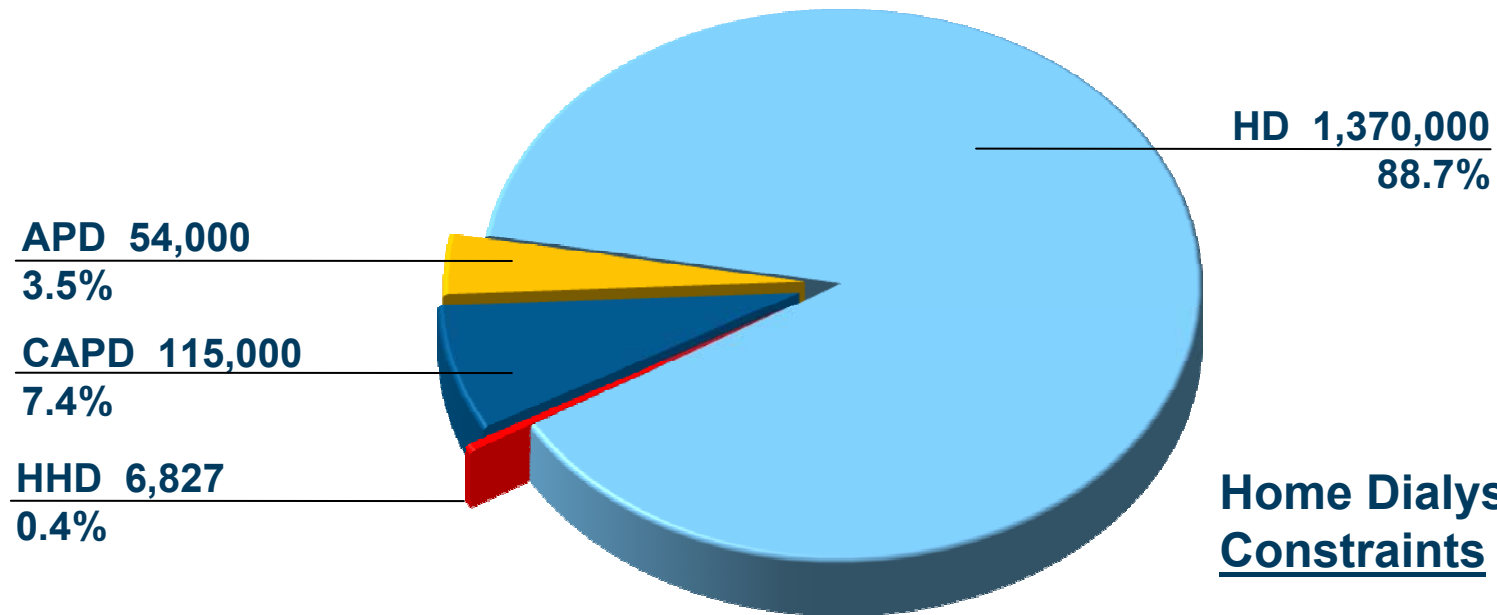
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	Therapy	Therapy
Phosphate	Dialysis + Calcium Phosphate Binders	Dialysis + Non Calcium containing binders
PTH	Vitamin D2 or D3 Calcimimetics	Vitamin D2 or D3 Calcimimetics
Calcium	Diet	Diet
Calcium Balance with Dialysate		
	Low Calcium Dialysate	High Calcium Dialysate



ESRD Patient

Total Dialysis Patients: 1.55 million



Home Dialysis Constraints

- PD Adequacy
- HD Complexity

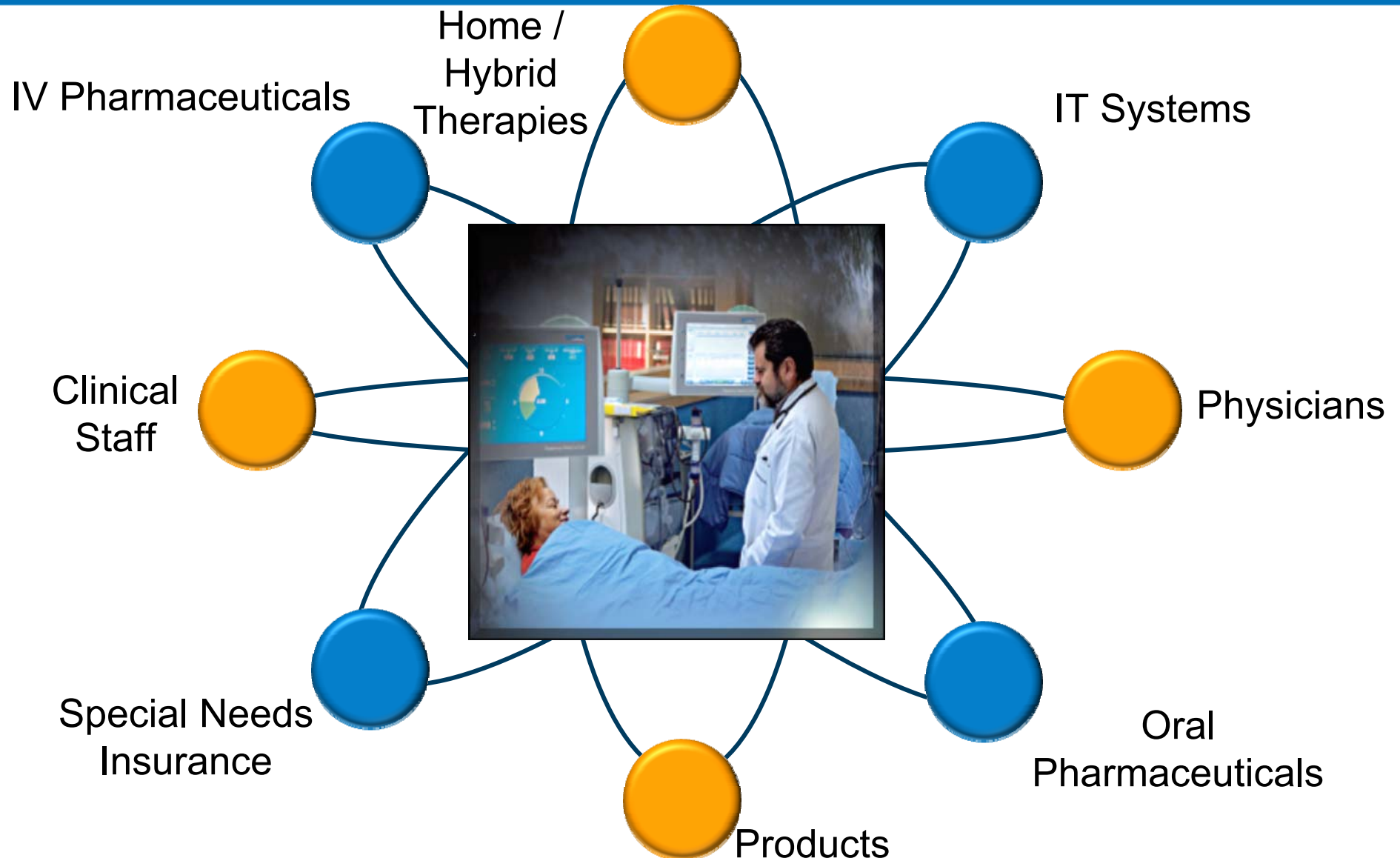
Home HD FME 50 - 60%

Source: Company Estimates

Integrated Patient Care Model – Clinic Centric



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1. Company Today

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3. Growth Strategy: Shaping the Future of Dialysis

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Summary - Growth Drivers



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Renal Pharma

Expansion of Clinic Network

Reimbursement Based on Quality

Increased Product Market Share

Product & Service Innovation

Global Patient Growth

Revenue Growth per Year

North America **6%**

Europe **10%**

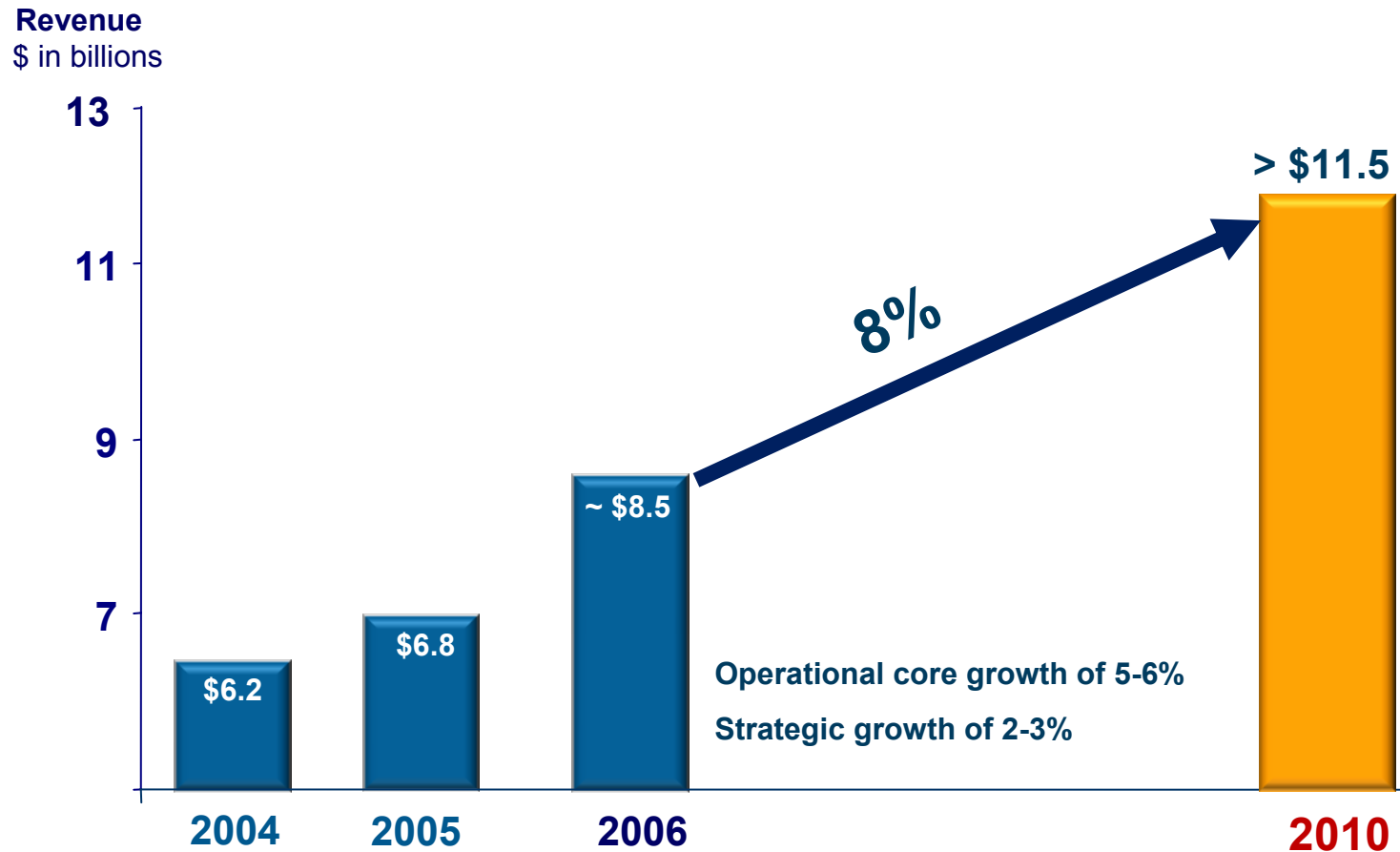
Asia-Pacific **15%**



2010 Revenue Target



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Sustainable Earnings After Tax Growth – Low to Mid-Teens



Shaping the Future of U.S. Dialysis Services

Mats Wahlstrom

Capital Markets Day

September 20-21, 2007



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1. North American Service Business

2. Market Dynamics

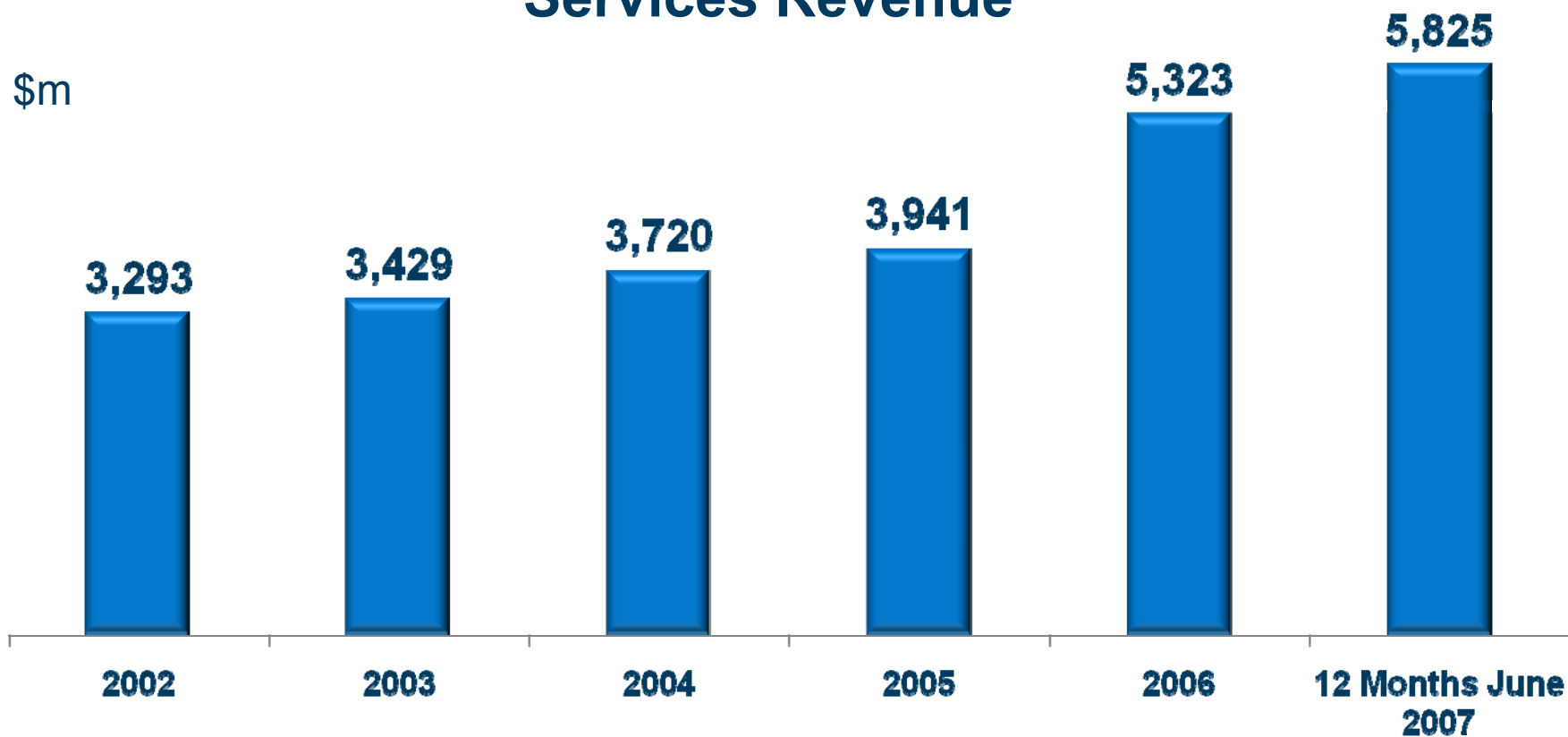
3. Key Strategic Objectives

4. The Clinic of the Future

5. Summary



Fresenius Medical Care North America Services Revenue

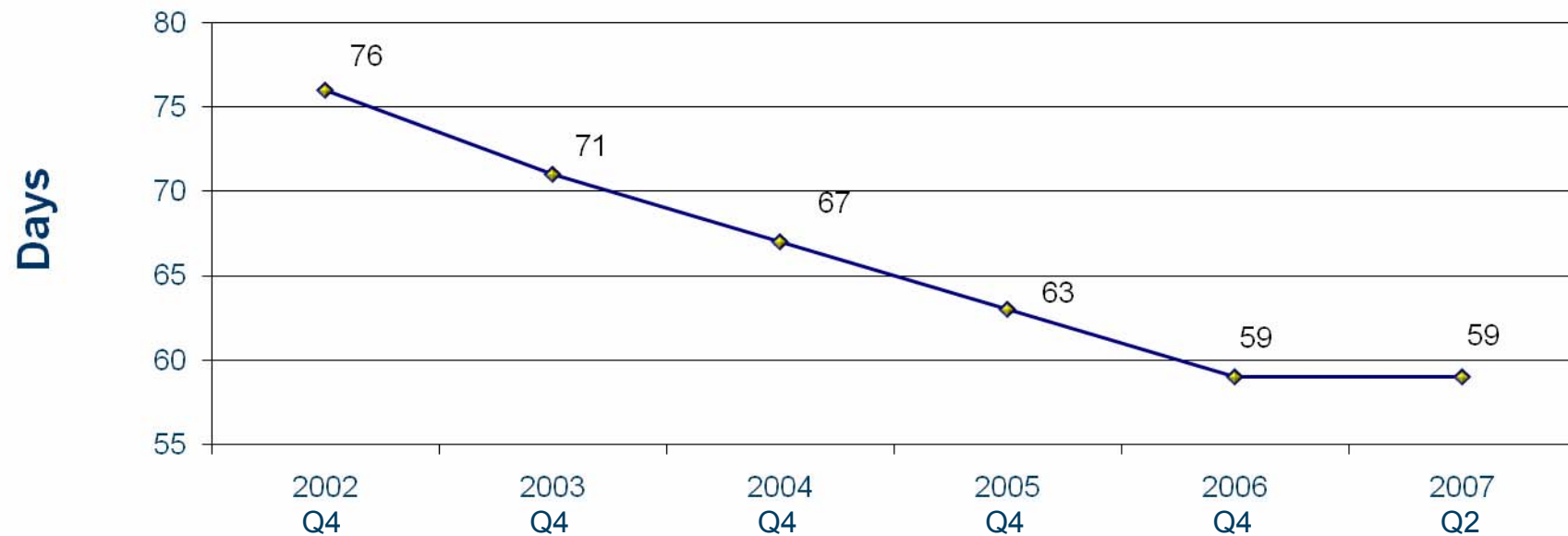


Significant Reduction in DSO



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Fresenius Medical Care North America Days Sales Outstanding

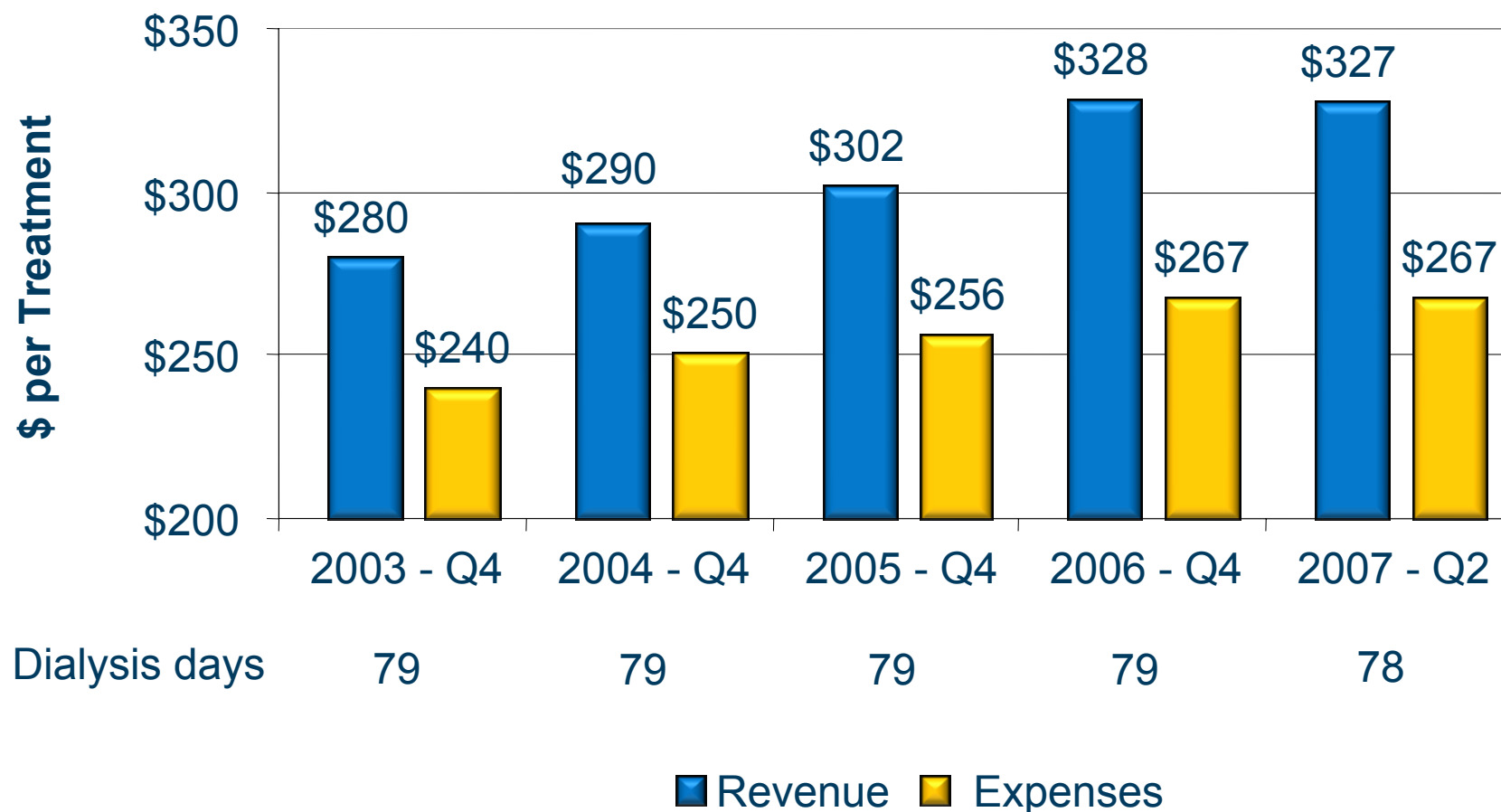


Significant Margin Expansion



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Fresenius Medical Care North America Revenue and Cost per Treatment

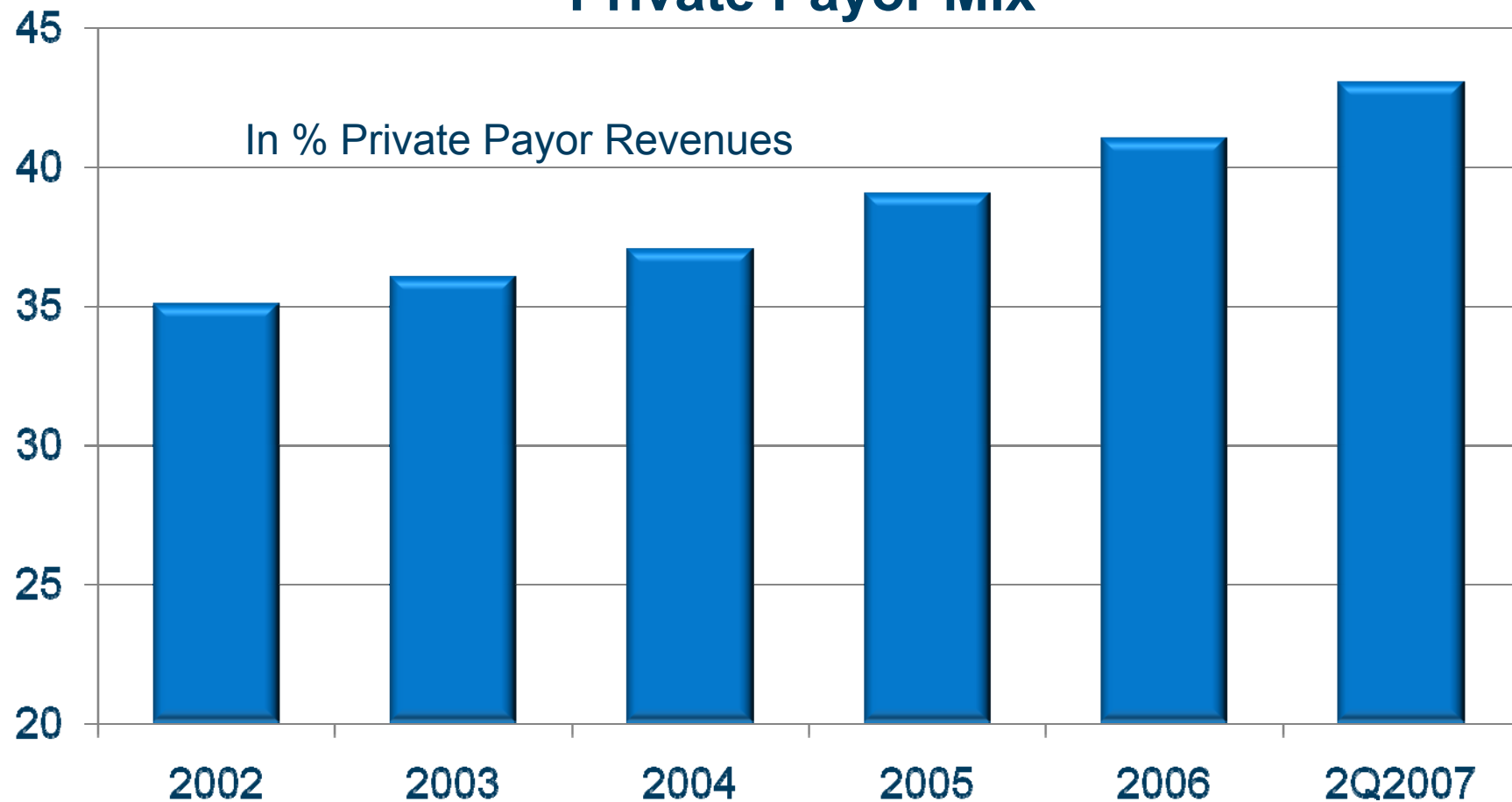


Significant Improvement in the Private Payor Mix





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Fresenius Medical Care North America Private Payor Mix

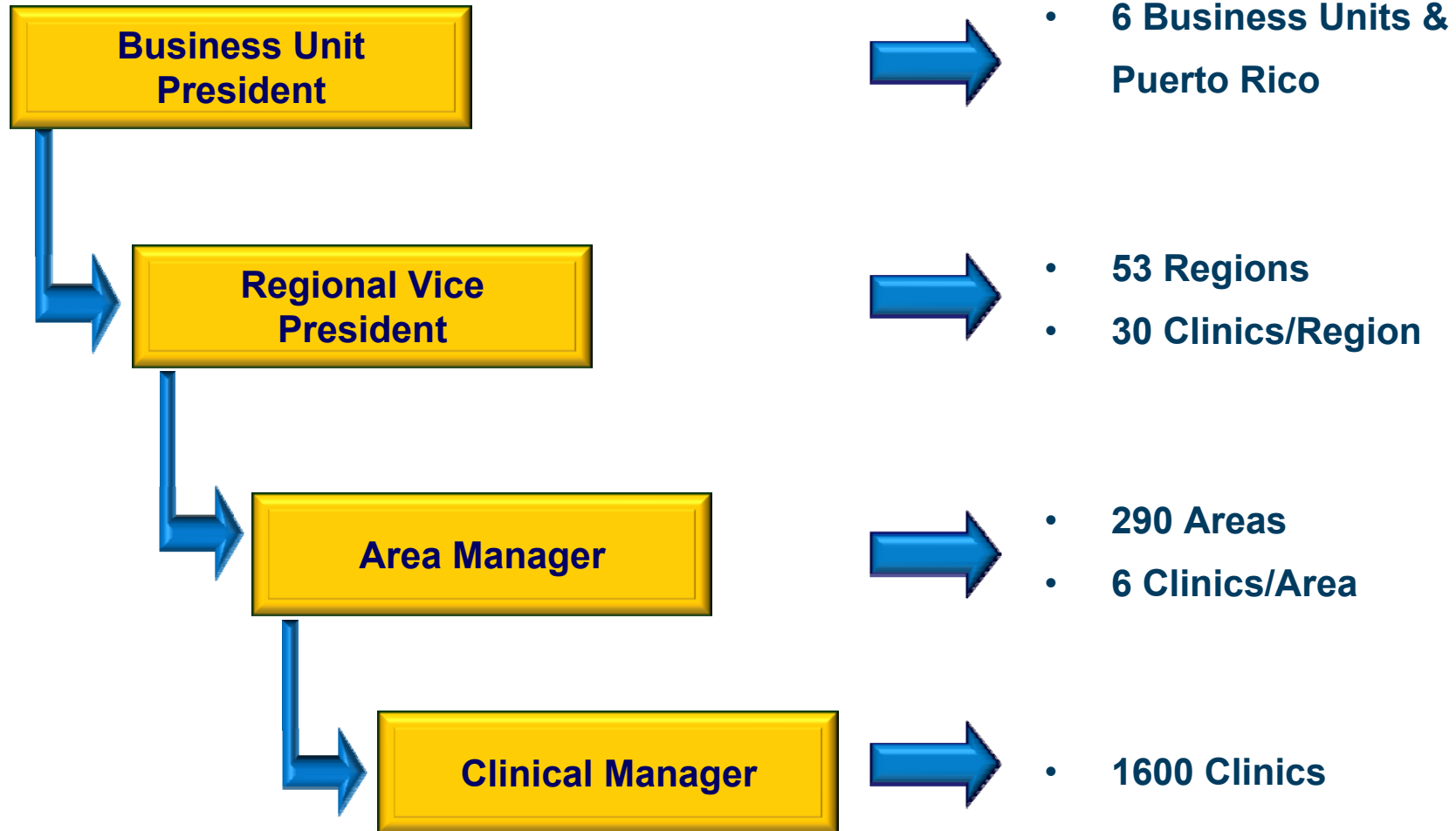


Successful Integration of RCG



- Successful integration of Cultures and People
- Continued to improve productivity during the integration process
- RCG Clinics Successfully Converted to Single-Use
- All Clinics will be UltraCare Certified by the end of 2008
- Significantly Exceeded Performance Expectations and Financial Model
- All Clinics will be using the same Information Systems by the end of 2010:
 - SAP (Accounting & Purchasing) Done
 - PeopleSoft (HR and Payroll) 2008
 - QMS/Medical Manager (Billing Systems)  eCube 2009
 - AMI/Proton (Clinical Systems)  eCube 2010

Fresenius Medical Care Services – Organization Structure

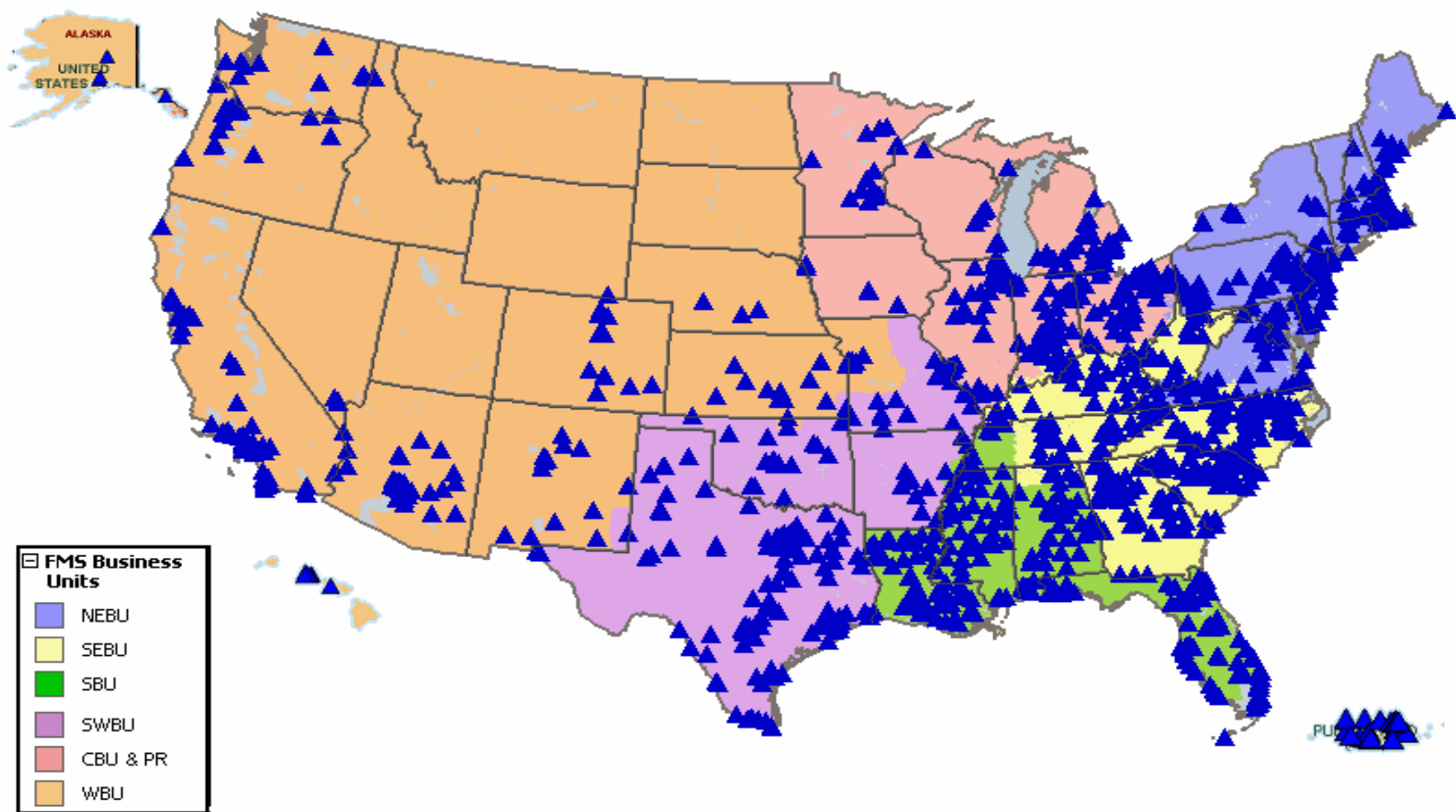


U.S. Dialysis Care (June 30, 2007)



Fresenius Medical Care

1,581 Facilities & 120,270 Patients





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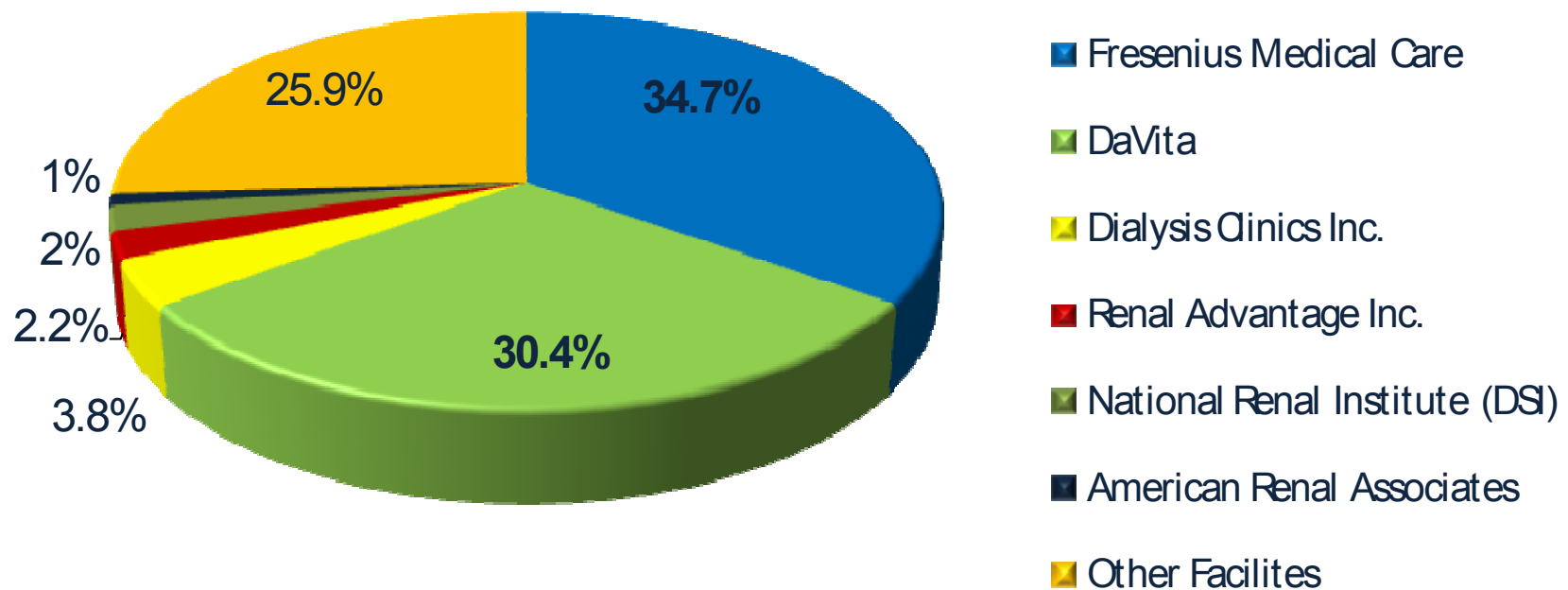
4. The Clinic of the Future

5. Summary

Market Share in Provider Business



Market Share in 2006

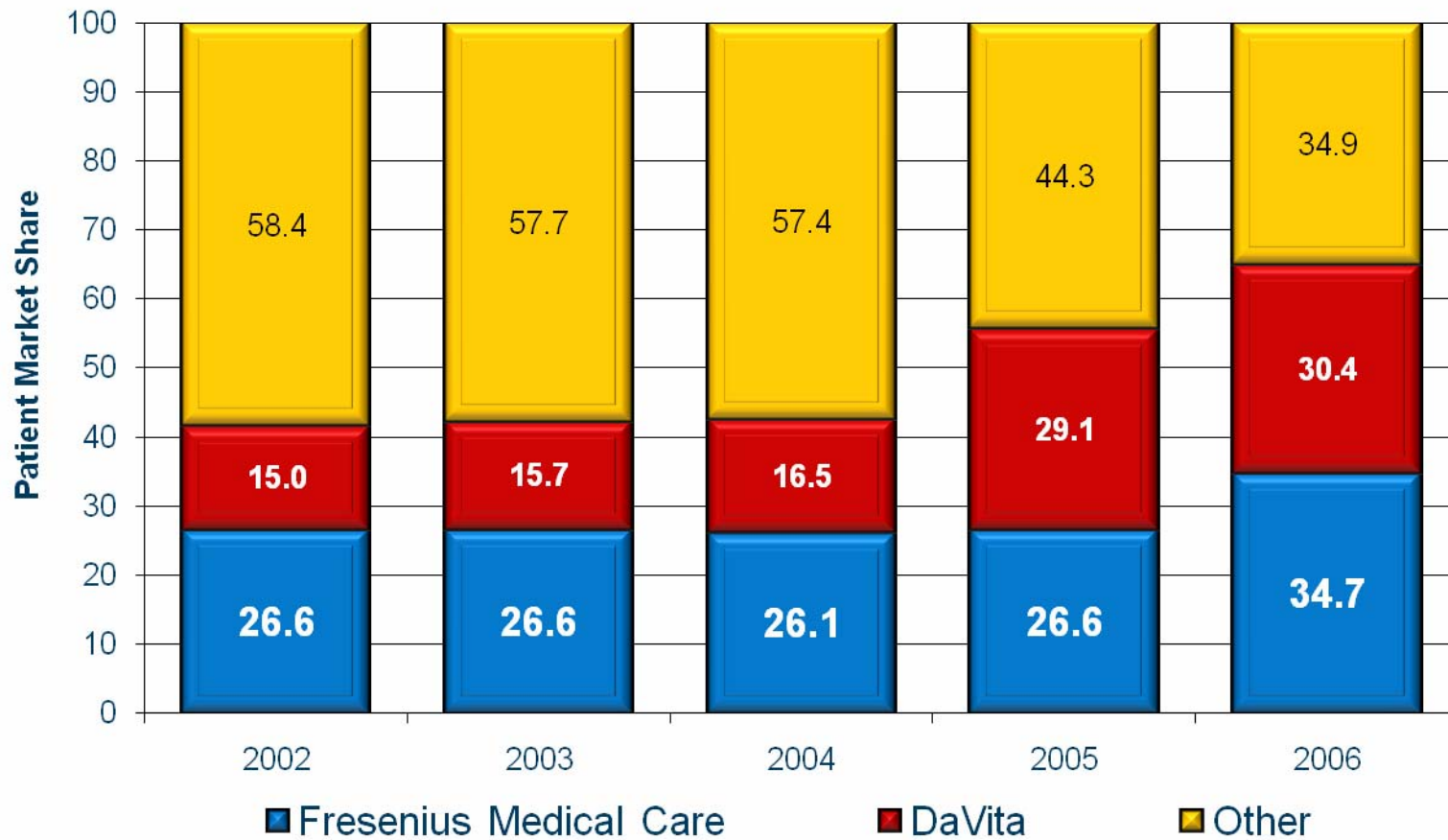


Source: Company Estimates

Market Share Development



U.S. Dialysis Provider Market Share



North American Service Business – External Realities



- Market Growth 3.0-3.5%
- EPO Dynamics
- Commercial Payor Dynamics
- Increasing Nursing Shortage
- Payment Reform for ESRD ???

Fresenius Medical Care Strengths

- UltraCare
- Managed Care Team
- Cost Leadership
- Bench Strength
- Local Market Position
 - Clinic Network
- Best Positioned Provider in a bundle Environment
- Vertical Integration
- Asia Pacific Nursing Institute



1. North American Service Business

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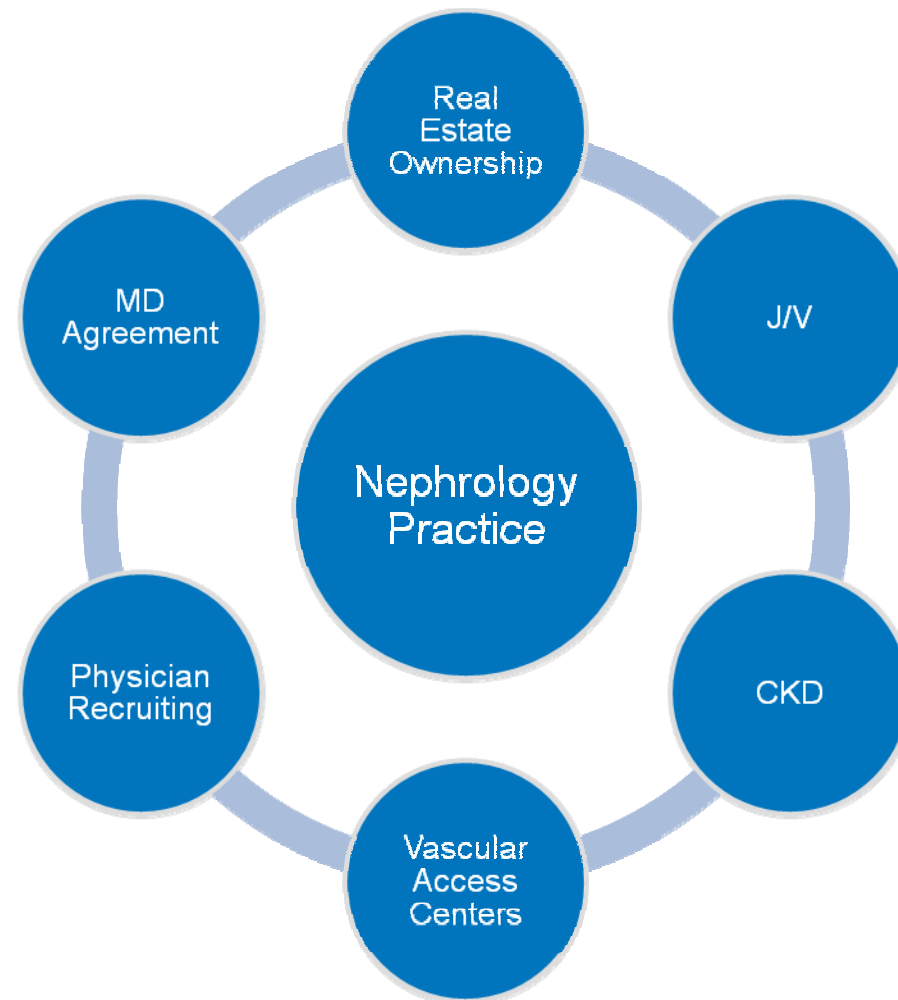
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Building Blocks for Strategic Positioning



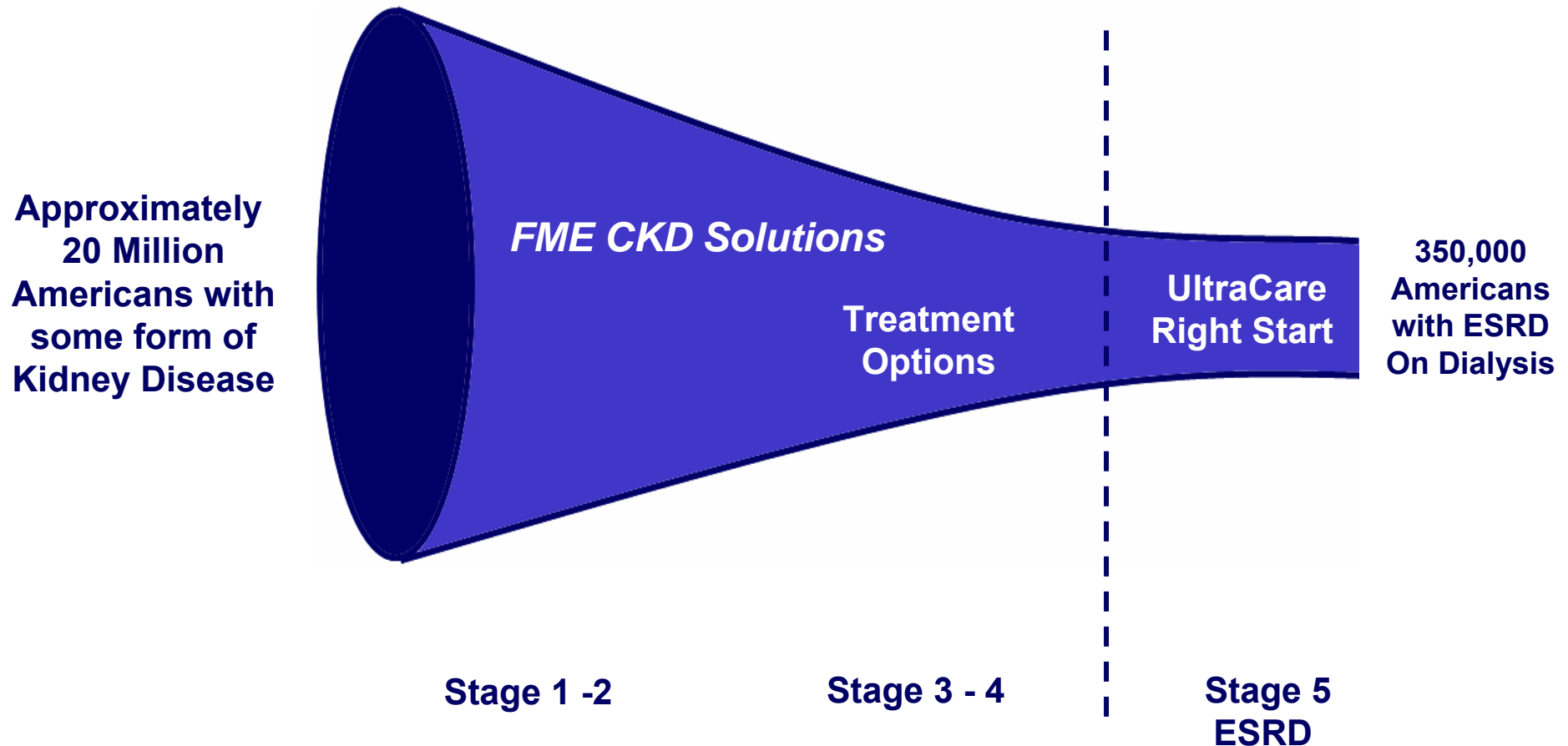


Well Defined Internal Processes, Policies and Procedures

Fresenius Medical Services Strategy for the Continuum of Kidney Disease



Fresenius Medical Care





Objective

- Organic Revenue Growth > 6%
- Selective Acquisitions

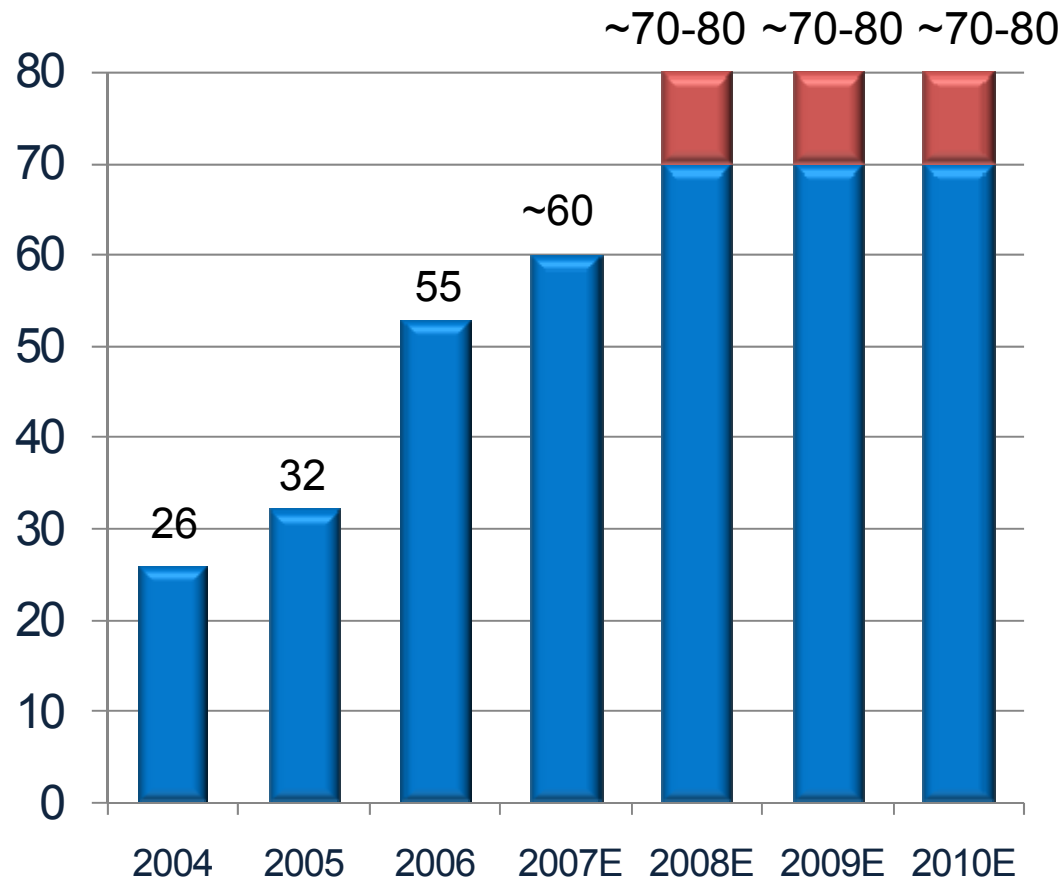
Key Drivers

- Private Payor Mix
- Managed Care Contracting
- Medicare Reimbursement
- Value Proposition for Physicians
- DeNovo Development
- Acute Contracting
- Recruiting of Nurses

Protecting our Market Position: *De Novo* Developments in the U.S.



Fresenius Medical Care



Economics of a *De Novo*

\$1.5-\$2.0 million per center

Double the ROIC of an acquisition

12-18 months to ramp up



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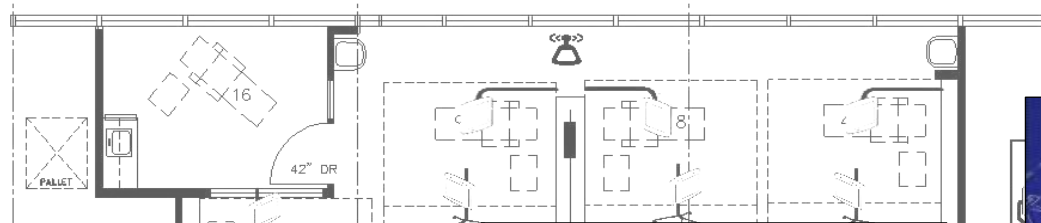
4. The Clinic of the Future

5. Summary

Clinic of The Future



Fresenius Medical Care





- Patient-Centric Quality Improvements
- Significant Cost and Revenue Efficiencies
- Decrease in DSO
- Improved Physician Relationships
- Integrated Plan of Care/Disease Management Approach
- Clinical Care system closely integrated with 2008T Machine

Patient Centric Quality Improvements

- Point of Care Controls
- Workflow and Rules Engine Based Technology
 - System identifies problems and queues up issues in clinician specific worklists

PROBLEM IDENTIFICATION



PROBLEM RESOLUTION

- Routing of problem to best qualified clinician
- Load balancing of work load
- Delayed response results in supervisory escalation
- Additional reductions in process variability using step wise task specific controls
- Enhanced System Adaptability
- Web based Smart User Interface and Web enabled Learning Management System allows for easier training



Significant Cost and Revenue Efficiencies

- Increase in quality of care
- Reduction in Data entry, validation and administrative tasks
- Enhanced Charge capture
- Workflow automated Billing & Collections (same principles of problem identification, routing, load balancing and escalation apply)
- Elimination of paper using Document Imaging
- Consolidation of Billing Centers
- Net 0.5% of revenue

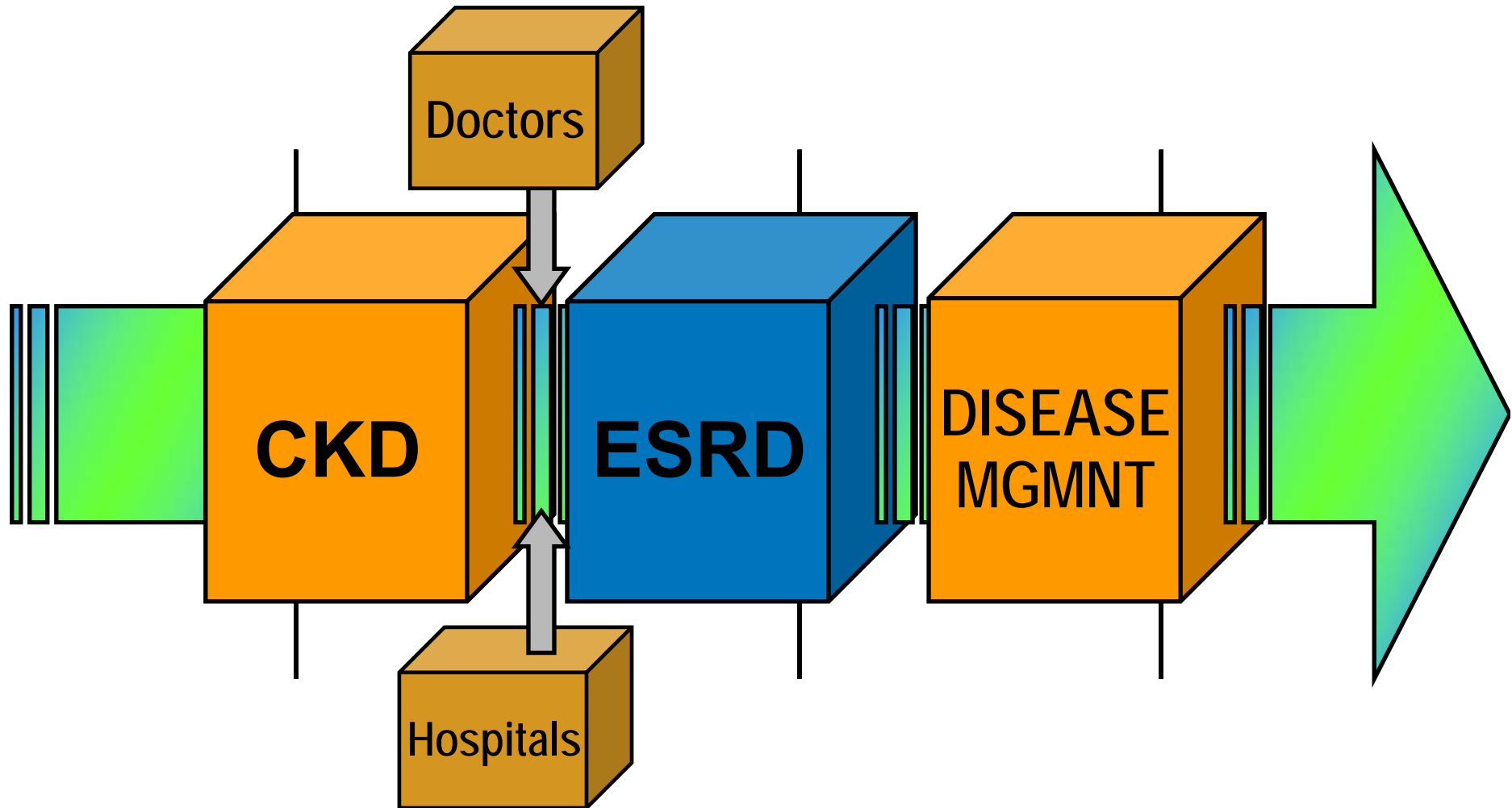
Decrease in DSO



Source: Company Estimates and Public Information



End-to-End Integration Through Information Technology





1. North American Service Business

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5. Summary

Fresenius Medical Care Services - Summary



- Successful Integration of RCG
- Strong Strategic Platform
- Experienced Management Team
- Operational Bench Strength
- eCube will be Gold Standard in the Industry
- Integrated CKD Solutions
- Leveraging our Vertically Integrated Model by integrating Information Technology with Dialysis Technology
- Shifting our Focus to Acceleration of Growth



Shaping the Future of the Dialysis Products Market in North America

Rice Powell

Capital Markets Day

September 20-21, 2007



Fresenius Medical Care

Agenda

- I. Overview
 - April 2005
 - September 2007

- II. Renal Therapies Group Portfolio
 - Current Reality
 - Future Growth Drivers

- III. Summary

- Fresenius focus on Intravenous Solutions...diversified in 1960's into innovative, high quality Dialysis Products...
- 1990's dialysis treatment consolidation fueled expansion into dialysis services... Vertical integration 1996
- Global Leadership in new millennium enhanced via conversion from re-use to single-use therapy...



Vision:

Continue PHG Product and Lab Leadership in Renal Care, and expand to a “Blood Therapy Business”

- Drive and secure leadership in our core Renal business segment, i.e. dialysis products and laboratory services
- Expand Horizontally into Renal Pharmaceuticals
- Capitalize on new business opportunities in extracorporeal therapies and non-renal blood therapies which leverage PHG business competencies and diversify our commercial portfolio

A refined Vision:

First Choice for Renal Therapies... enhancing the quality of lives

And Honed Strategic Imperatives:

- Drive and secure leadership in our core Renal business segment
- Capitalize on new business opportunities that leverage our expertise
- Achieve Best Quality & Cost Leadership through Innovation and Best Practices
- Build a high-performance culture that ensures individual and PHG success

Renal Therapies Group Portfolio

Dialysis Products

US/ Mexico/ Canada

Renal Drugs

PhosLo

Services

Spectra Labs

Renal Research Institute

Commercial Disease Management

ESRD Demonstration Project

Current Reality

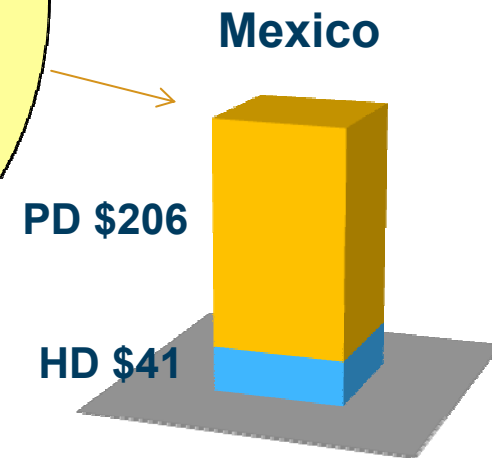
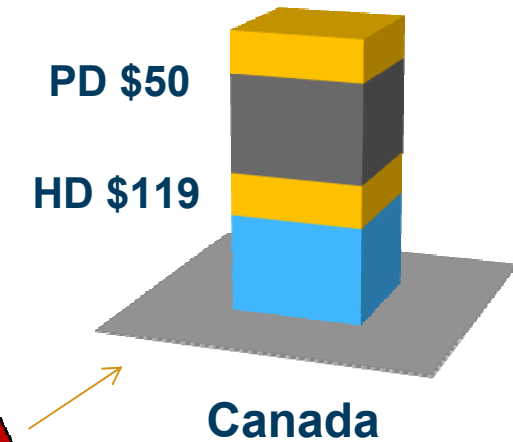
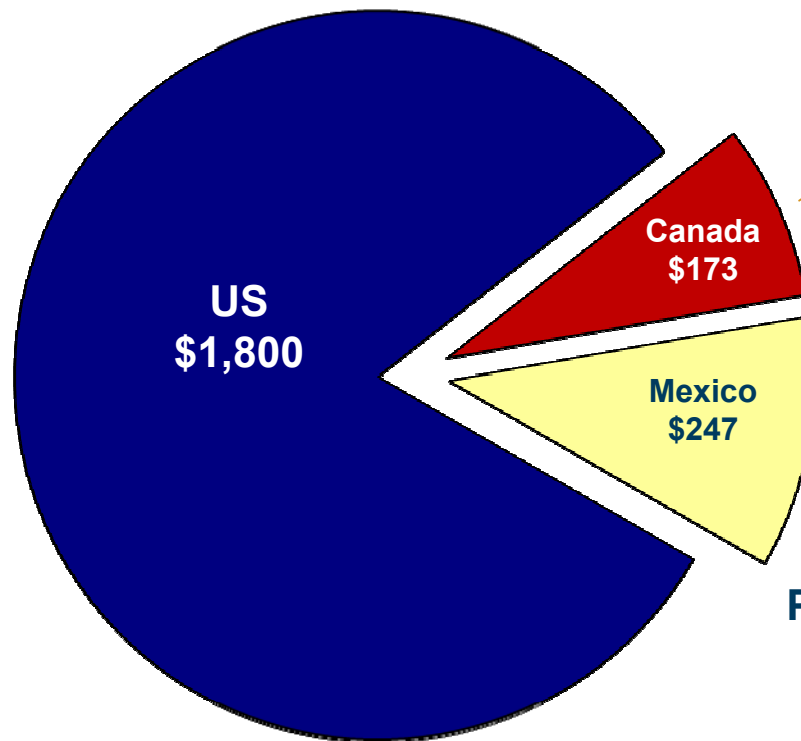
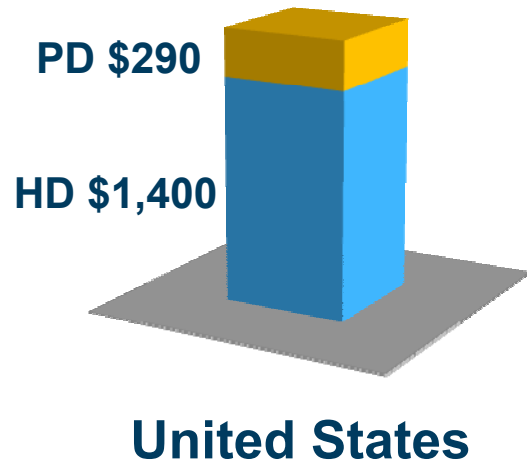
- Major Market Share
- Knowledgeable, dedicated employees
- Segment approach to market opportunities

Market - Value Dialysis Products



Fresenius Medical Care

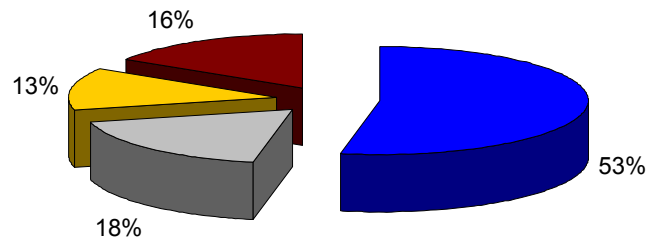
Market Value in \$m



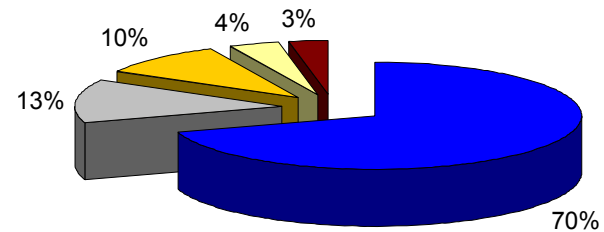
Dialyzer North American Market Share - 2006



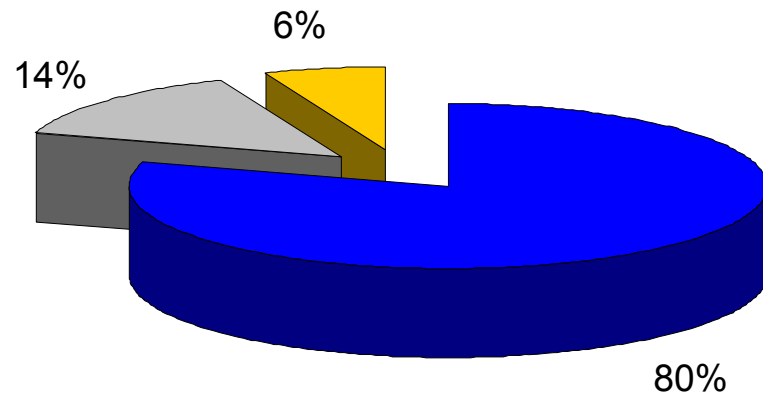
Mexico



Canada



United States



■ Fresenius Medical Care ■ Gambro ■ Baxter ■ Chief (Asahi) ■ Other

Single-Use Dialyzers

Strategy: Drive the independent market to single-use dialyzers

- Utilize single-use therapy bundle to meet clinical and economic expectations, branded as CarePak
 - Optiflux, high-flux dialyzers
 - Granuflo, dry acetate concentrate
 - CombiSet bloodlines
 - FMCNA manufactured saline

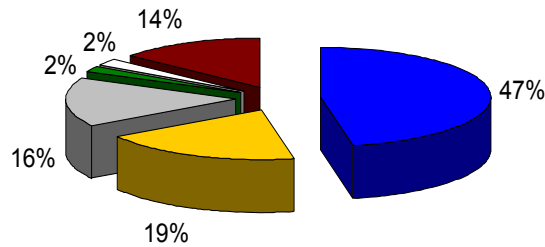
The Success of CarePak

Significant increase in single-use patients			
	Q2 2003	Q2 2007	Growth
Patients in Independent Market	92,456	97,891	5.88%
Single-Use Patients	35,467	62,862	72.2%
Single-Use Patients with FMCNA product	23,763	55,976	135.5%
FMCNA Market Share (Independent Market)	67%	89%	22%

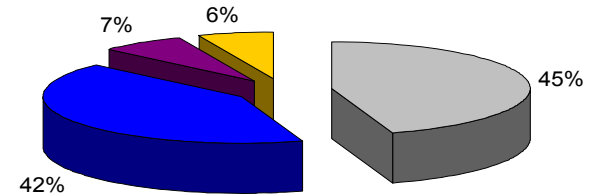
Machine North American Market Share - 2006



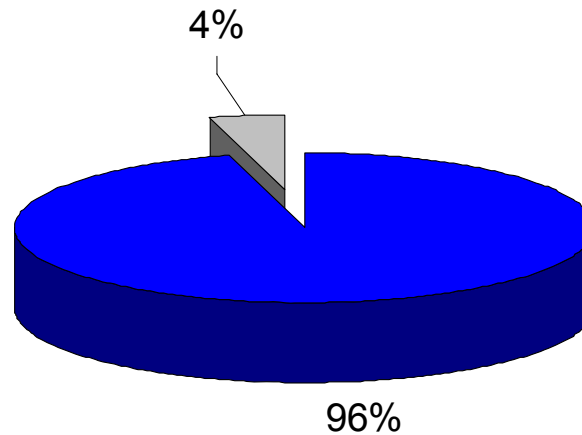
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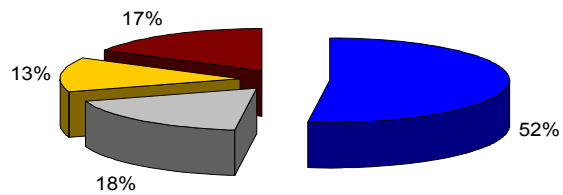


■ Fresenius Medical Care
 ■ Gambro
 ■ Other
 ■ Baxter
 ■ Bellco
 ■ Kawasumi

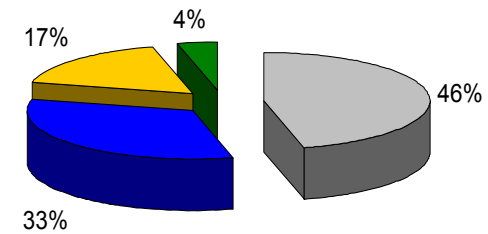
Bloodline North American Market Share - 2006



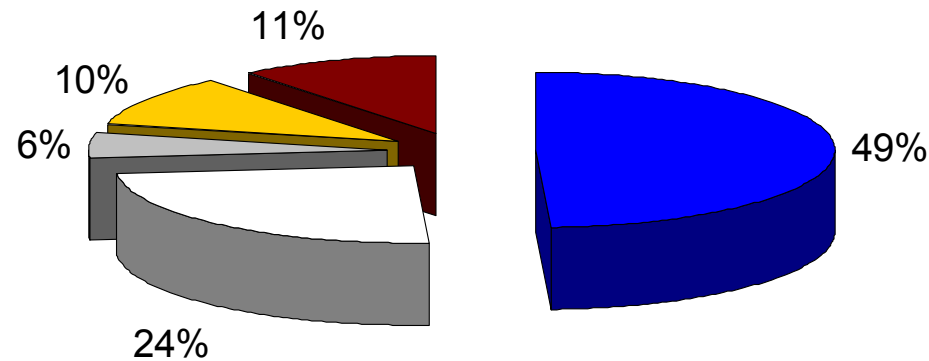
Mexico



Canada



United States

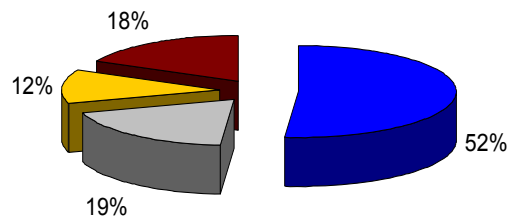


■ Fresenius Medical Care
 ■ Medisystems
 ■ Other
 ■ Gambro
 ■ Baxter
 ■ Bellco

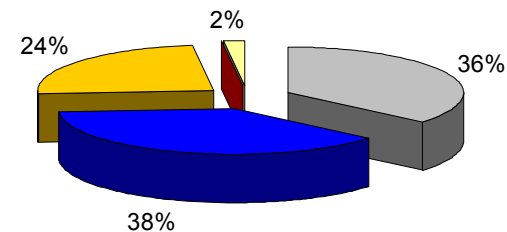
Concentrate North American Market Share - 2006



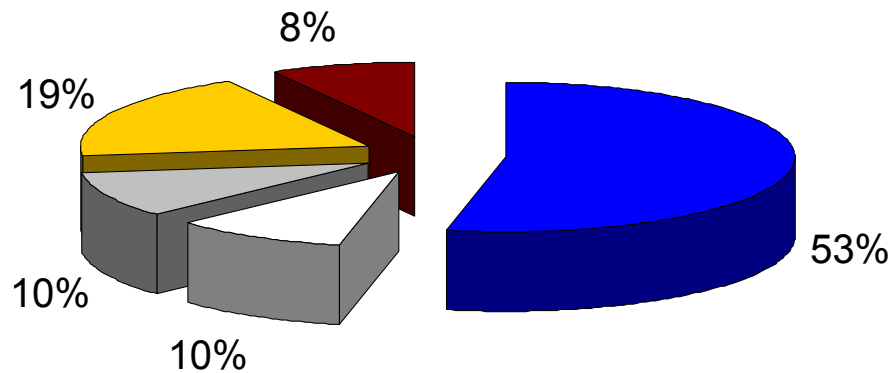
Mexico



Canada



United States



■ Fresenius MC
 ■ Minntech
 ■ Gambro
 ■ Other
 ■ Baxter
 ■ Haemotec
 ■ Chief (Asahi)

Renal Therapies Group – Production Facilities



Fresenius Medical Care

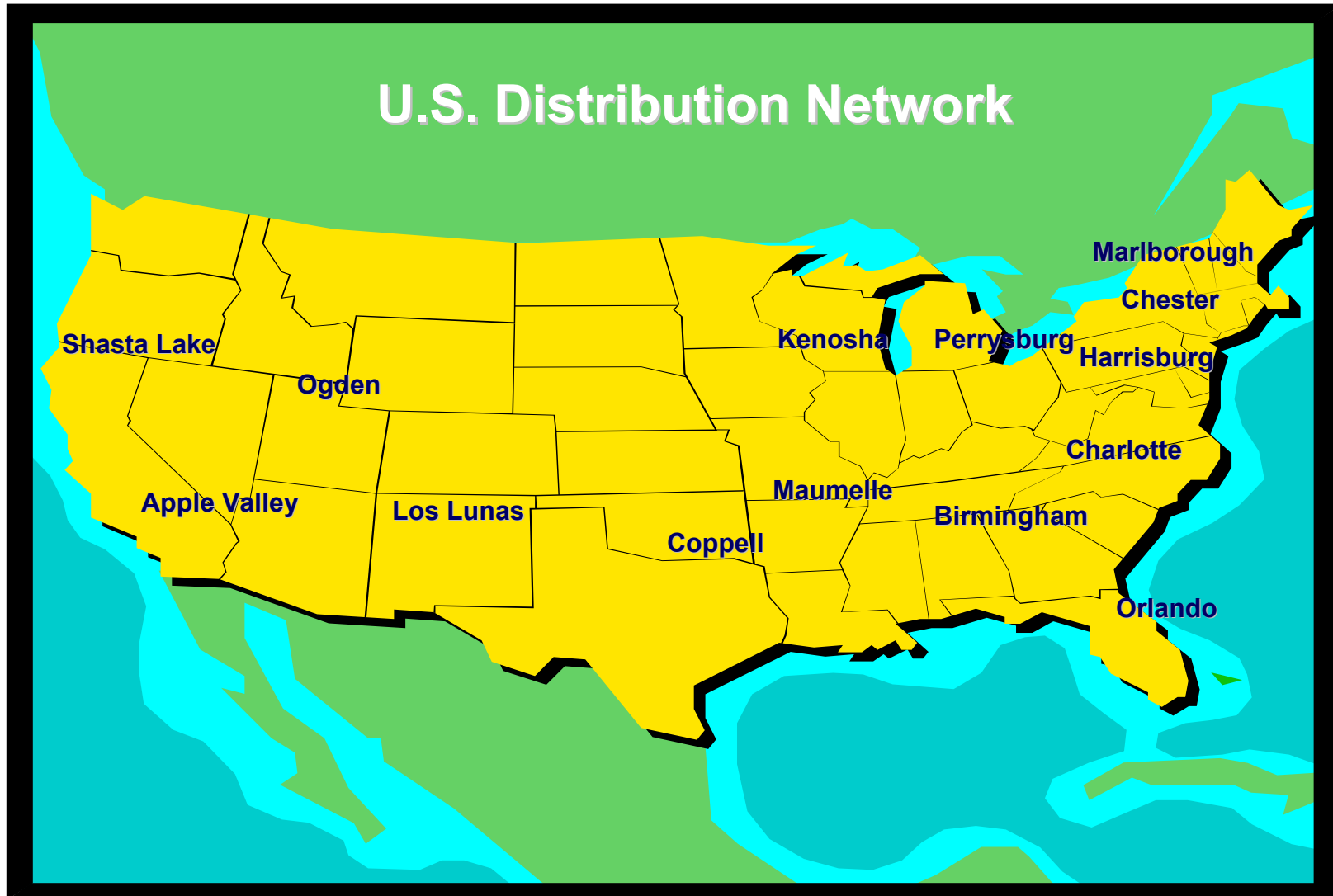


- Record production volumes
 - 34 million dialyzers (Ogden)
 - 62 million bloodlines (Reynosa)
 - 15,250 HD machines (Walnut Creek)
- Saline expansion & ramp on-track in Ogden

Renal Therapies Group – Operations Update



Fresenius Medical Care

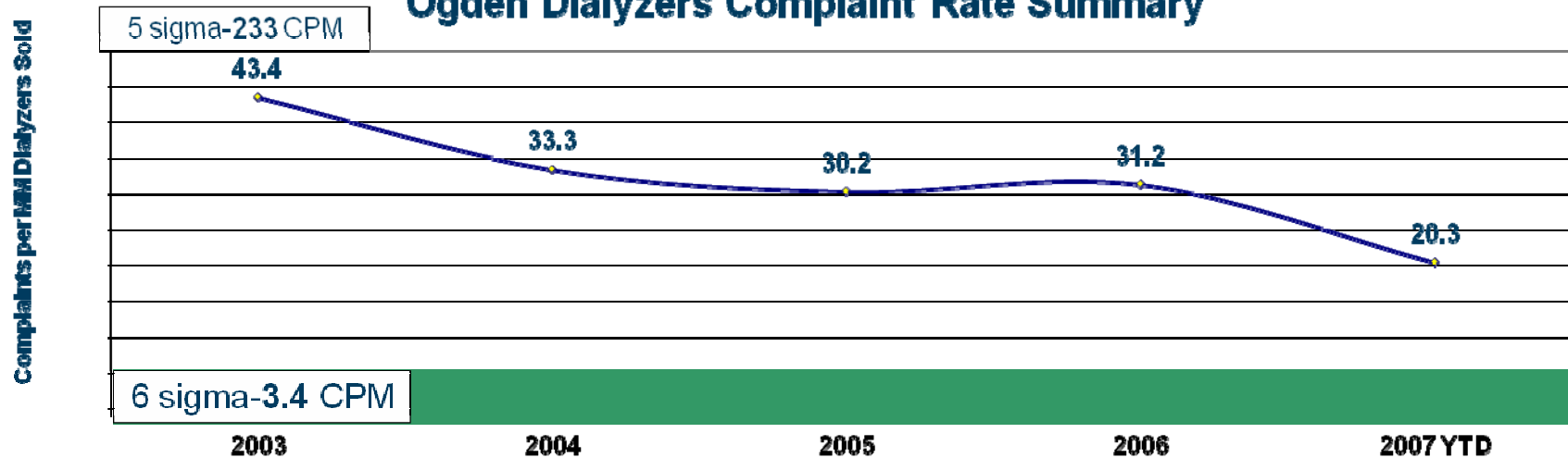


Renal Therapies Group – Product Quality approaching Six-Sigma

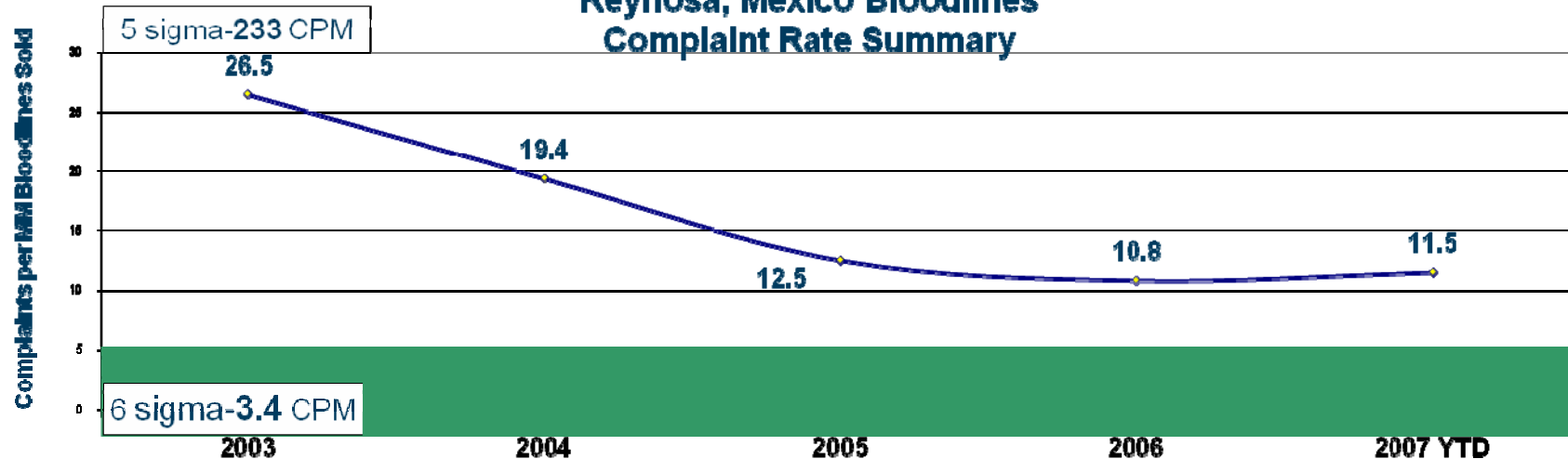


Fresenius Medical Care

Ogden Dialyzers Complaint Rate Summary



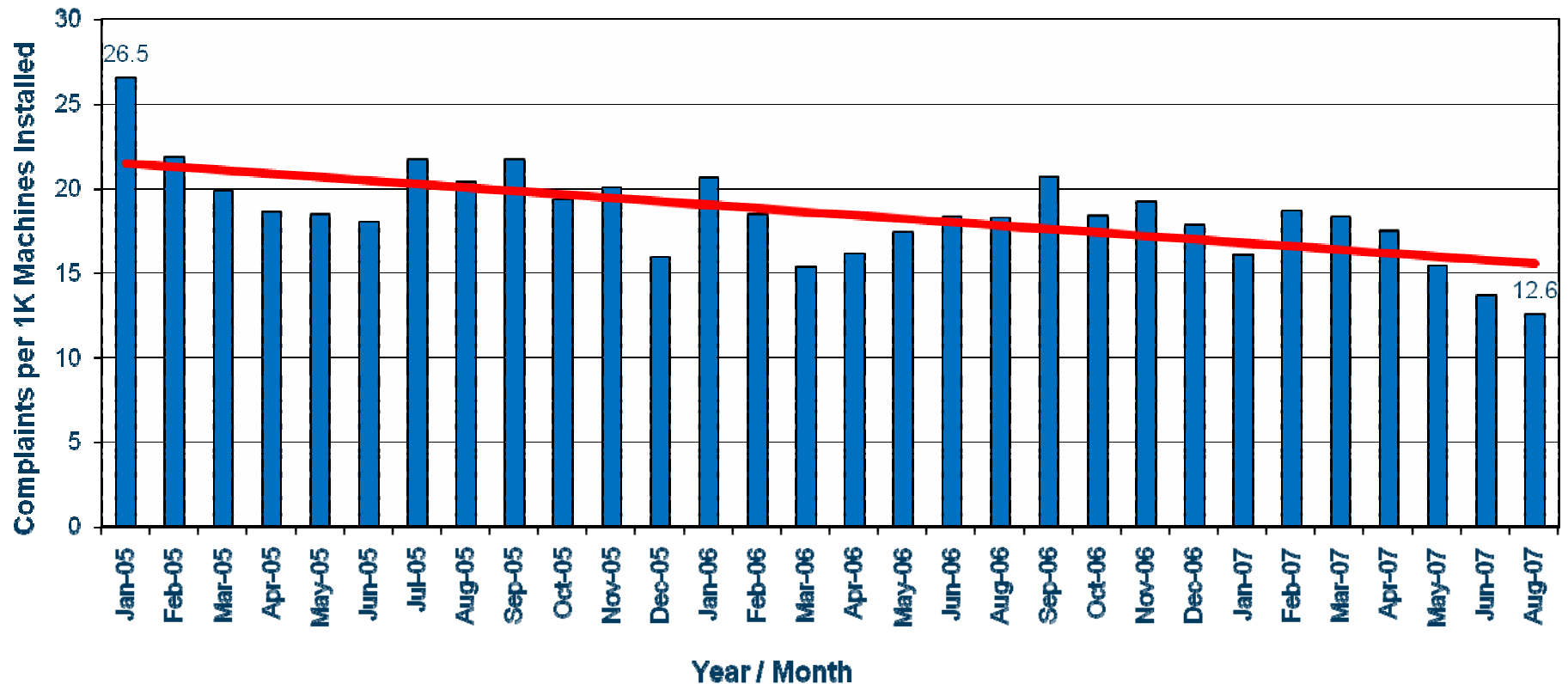
Reynosa, Mexico Bloodlines Complaint Rate Summary



Renal Therapies Group – Product Quality



Fresenius Model 2008K Hemodialysis Machine Complaint Trend



Renal Therapies Group – Spectra Laboratory Services



Today

- Market leader in specialized lab services for renal care
- Largest ESRD-specific lab in the world
- 150,000 patients served
 - 44% of the Total market and
 - 30% of the Independent market
- Phase II/ Phase III laboratory services for clinical trials

2008 - 2010

- Key business growth drivers
 - Innovative IT solutions for all market segments
 - Measurement parameters for improved outcomes
- Elements of success
 - Quality
 - Reliability
 - The ability to deliver patient-specific data in a number of formats

Regulatory/ Reimbursement Environment

Foreseeable Regulatory Environment:

- The Bundle
- Vertical integration will provide the most effective integrated therapy

FDA

- More conservative requiring more infrastructure

Future Growth Drivers

What does success look like in 2008 – 2010?

- **Therapy Approach** to Renal Disease
- Optimize leverage of **vertical integration**
- Ensuring individual and company success with a **high-performance oriented culture**

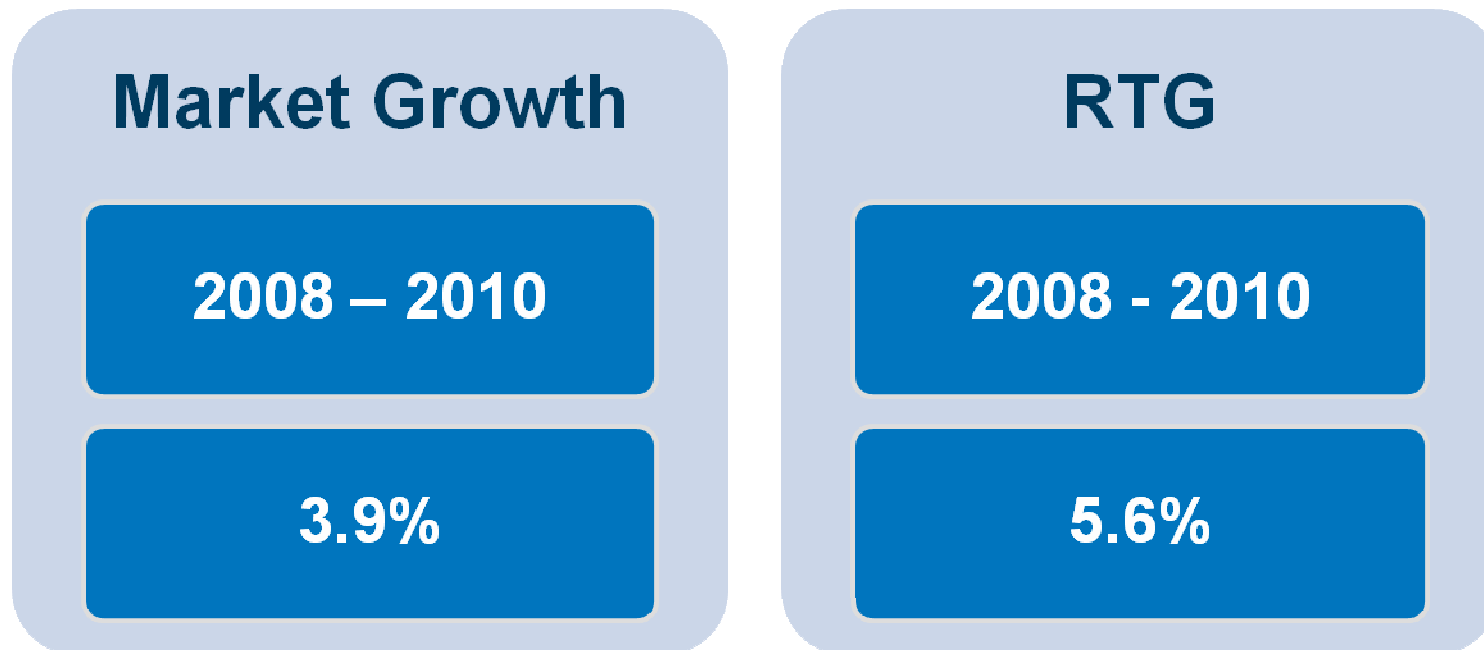


Therapy Approach to Renal Disease: Growth Drivers

- **Dialysis Treatment**
 - Innovative Devices
- **Therapy Data Management**
 - Electronic Data Interface solutions
- **Renal Drug Initiative**
 - Portfolio Expansion
- **Disease Management**
 - 21 September – Robert Farrell, President & CEO Renaissance Health Care
“Shaping the Future of Dialysis Payment Structure Worldwide”



Significant Growth Rates: 2008-2010



Above Market Growth



Renal Drug Initiative

Capital Markets Day

September 20-21, 2007



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PhosLo – *Dispelling the Calcium Myth*

12,000 FMS patients

Dialysate Ca		LATEST SERUM CALCIUM		
		Low	Mid	High
Group	% in Dialysis Ca Group	(<8.5)	(8.5 to 9.5)	(>9.5)
2.0	18%	1.7%	8.7%	7.4%
2.25	7%	0.8%	4.3%	2.4%
2.5	69%	8.4%	37.9%	22.4%
3.0	2%	0.4%	1.5%	0.6%
3.5	4%	1.1%	1.8%	0.7%
N/% in Ca Group		12.4%	54.2%	33.5%

Dialysate Ca		LATEST SERUM CALCIUM		
		Low	Mid	High
Group	% in Dialysis Ca Group	(<8.5)	(8.5 to 9.5)	(>9.5)
2.0	16%	1.7%	8.7%	5.3%
2.25	8%	1.1%	4.3%	2.1%
2.5	69%	9.2%	40.4%	19.4%
3.0	3%	0.6%	2.1%	0.7%
3.5	4%	1.1%	2.4%	0.8%
N/% in Ca Group		13.7%	57.9%	28.4%

PhosLo – Confirming the Phosphorus Story

12,000 FMS patients

Renagel Only Patients
Distribution by Latest Calcium and P Lab Result
(3/1/2007-5/31/2007)

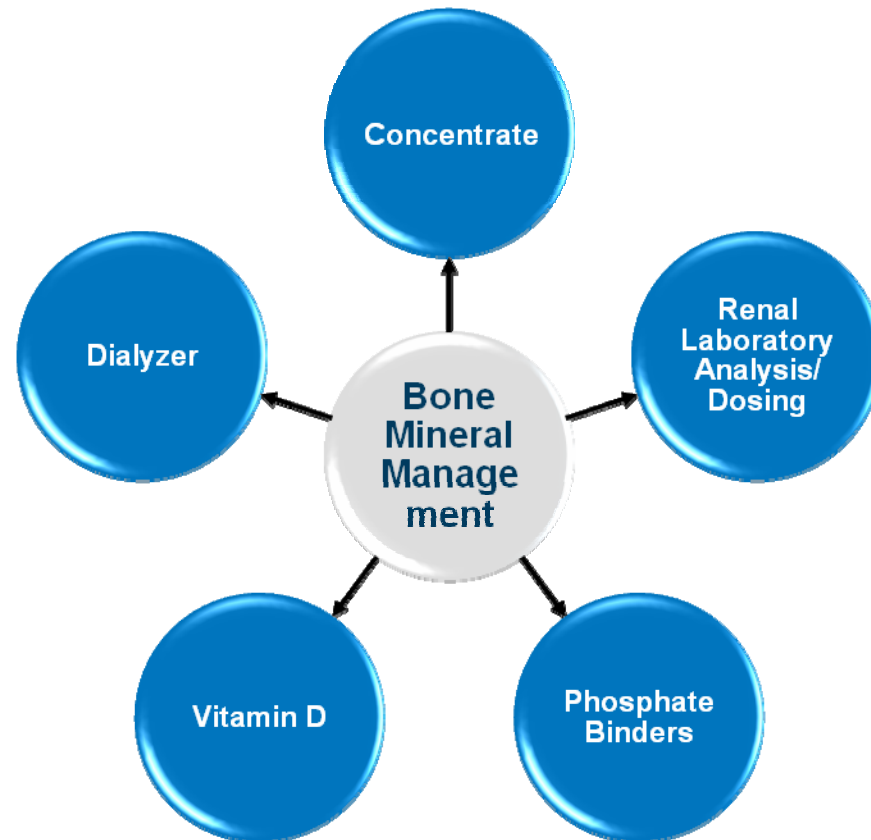
Latest Serum P	% in Dialysis P Group	LATEST SERUM CALCIUM		
		Low (<8.5)	Mid (8.5 to 9.5)	High (>9.5)
Low (<5.5)	52.9%	5.8%	29.5%	17.6%
Mid (5.5 – 7.0)	31.11%	3.6%	16.4%	11.1%
High (>7.0)	15.93%	3.0%	8.2%	15.9%
N/% in Ca Group		12.3%	54.2%	33.5%

PhosLo Only Patients
Distribution by Latest Calcium and P Lab Result
(3/1/2007-5/31/2007)

Latest Serum P	% in Dialysis P Group	LATEST SERUM CALCIUM		
		Low (<8.5)	Mid (8.5 to 9.5)	High (>9.5)
Low (<5.5)	57.6%	6.15%	34.0%	17.4%
Mid (5.5 – 7.0)	27.7%	4.0%	15.8%	7.9%
High (>7.0)	14.7%	3.6%	8.0%	14.7%
N/% in Ca Group		13.7%	57.9%	28.4%

PhosLo Positioning Strategy

The economics of PhosLo become even more significant when a bundling strategy by the Federal Government occurs. (EPO, Iron, & Vitamin D).



PhosLo Business Initiatives

- CARE 2 study
- Advisory meeting with FDA October 16 (pre-dialysis indication)
- New Formulations
- ASN Renal Week – 2007



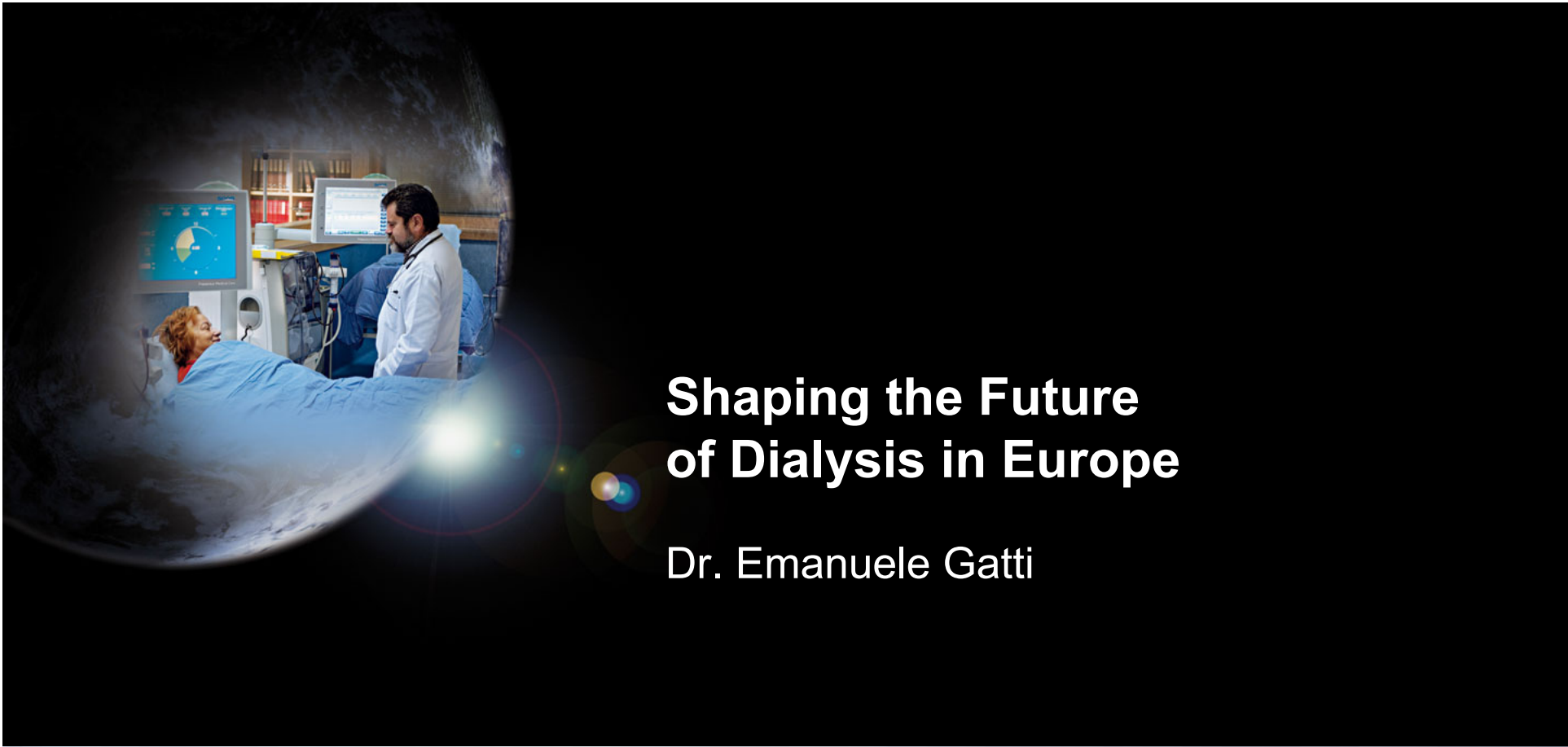
Therapy Innovation

- Liberty Cyclor – PD Therapy
 - Improves competitive position
- Low GDP Solution
 - Enhance patient therapy
- “**Therapy Integration Module System**” – HD Therapy
 - Acute and Home HD settings
 - Addressing the Voice of the Customer

In Summary...

Our company needs to continue evolving ...

- We can not become complacent with where we sit today
- Evolving into a Renal Therapy-focused company



Shaping the Future of Dialysis in Europe

Dr. Emanuele Gatti

Capital Markets Day

September 20-21, 2007



Fresenius Medical Care

Shaping the Future of Dialysis in Europe



The Future of Dialysis in Europe Will be Based on the Synergy Between Product Innovation and Continuous Improvement in the Quality of Care





1. Europe Market Overview

2. Reimbursement in Europe

3. Market Share and Sales

4. Outlook and Strategy

Market Overview: The EMEA Dialysis Market Represents a \$16 billion opportunity



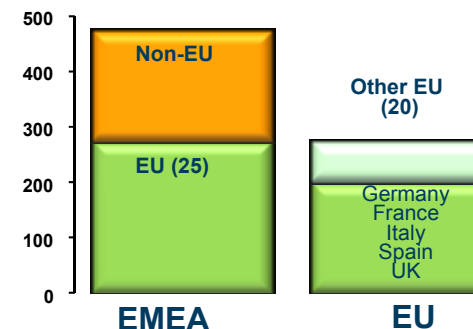
Fresenius Medical Care

EMEA Dialysis Profile

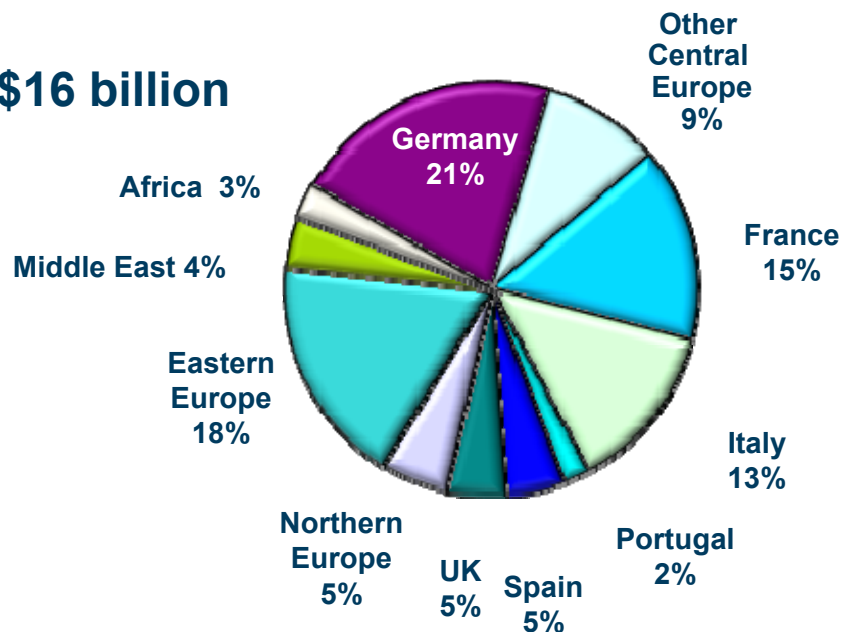
Countries	> 100
Dialysis patients	~ 470,000
Growth	3% to > 10%
Prevalence (pts/million pop.)	50 to > 800
GDP* (US\$ per capita)	2,000 to > 40,000

(*Gross Domestic Product)

Patients (in thousand)



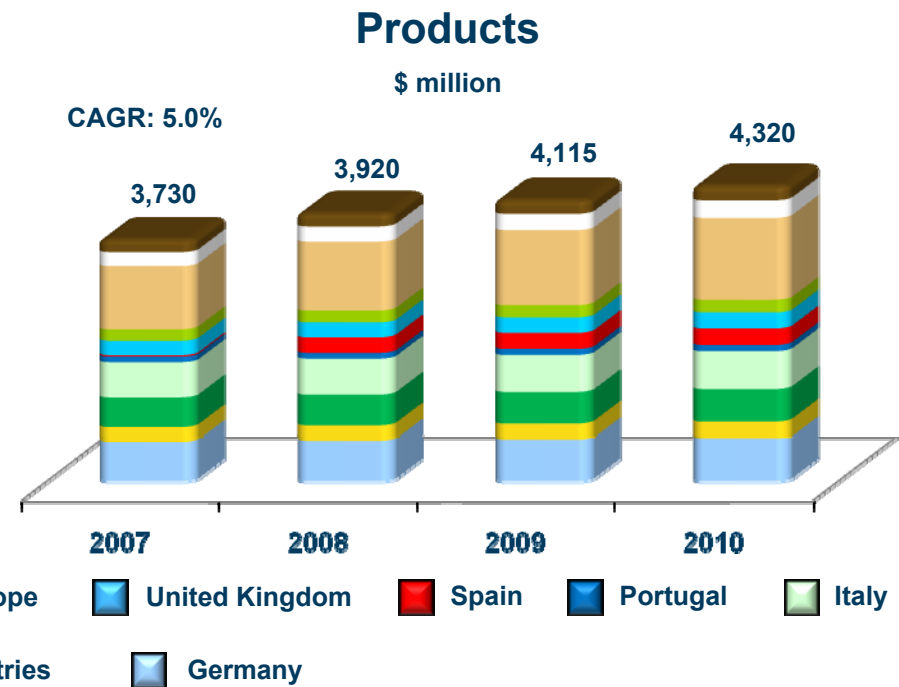
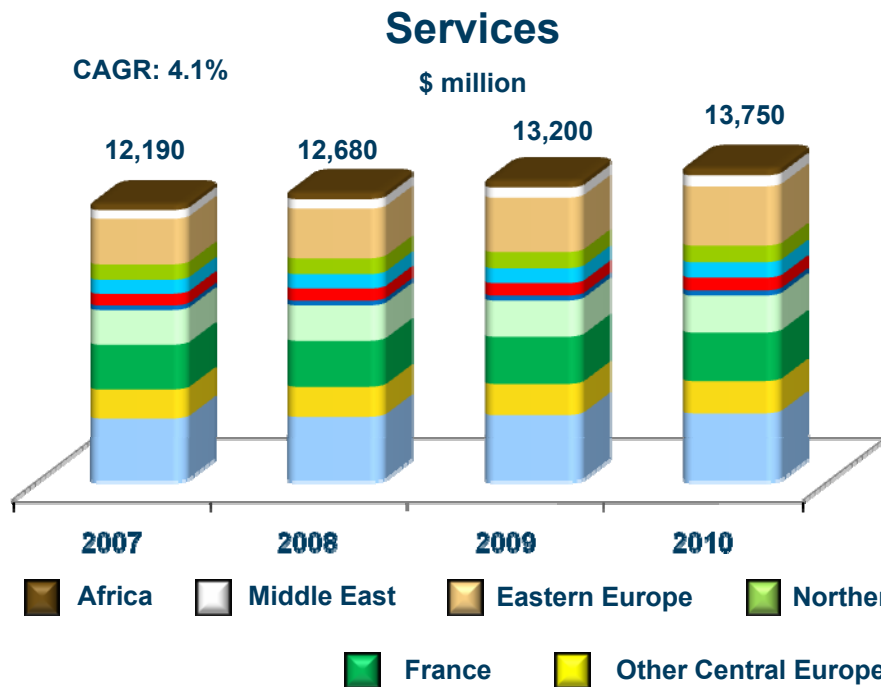
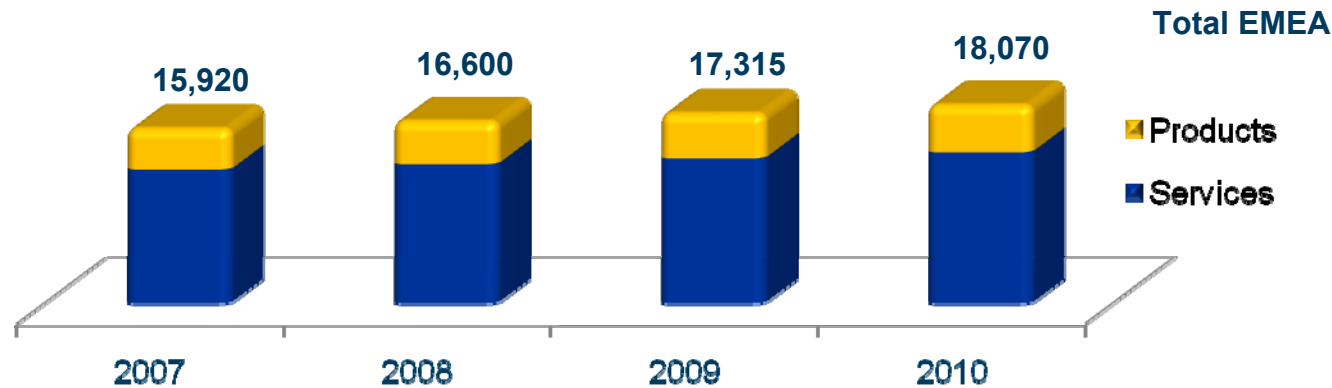
Total of \$16 billion



EMEA Market Development – Services and Products: 4.3% Growth per Annum '02 to '07



Fresenius Medical Care



- Africa
- Middle East
- Eastern Europe
- Northern Europe
- United Kingdom
- Spain
- Portugal
- Italy
- France
- Other Central Europe Countries
- Germany

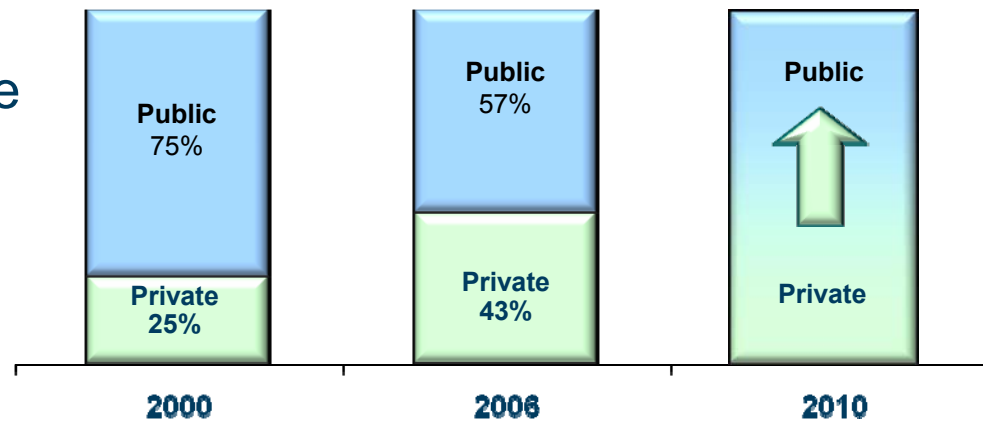
Market Overview: Trends in Eastern European Provider Market



Fresenius Medical Care

Still mainly public but changing rapidly

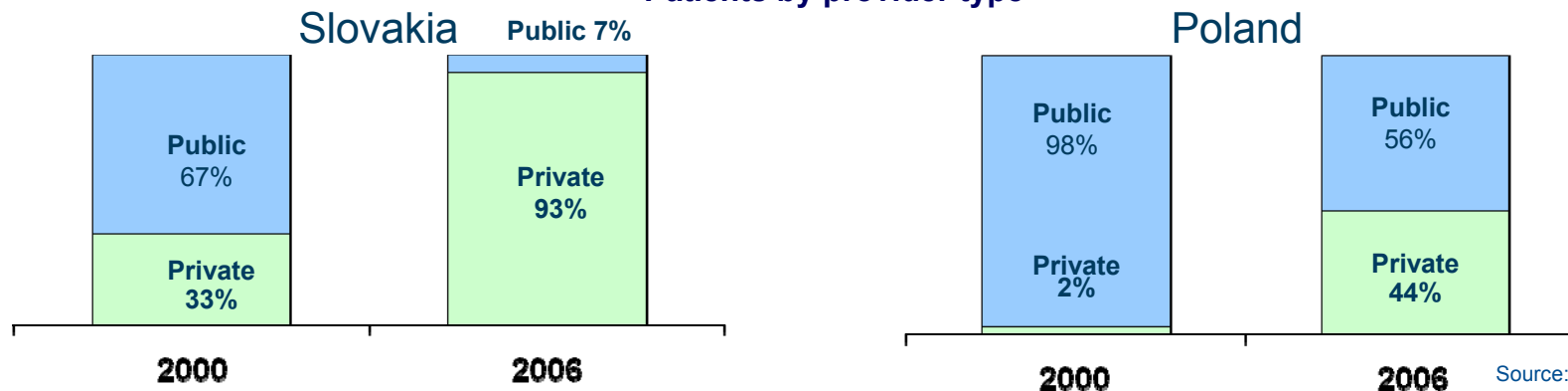
Eastern Europe



Patients by
Provider Type

Examples of Privatization in Eastern Europe

Patients by provider type



Source: Company Estimates



1. Europe Market Overview

2. Reimbursement in Europe

3. Market Share and Sales

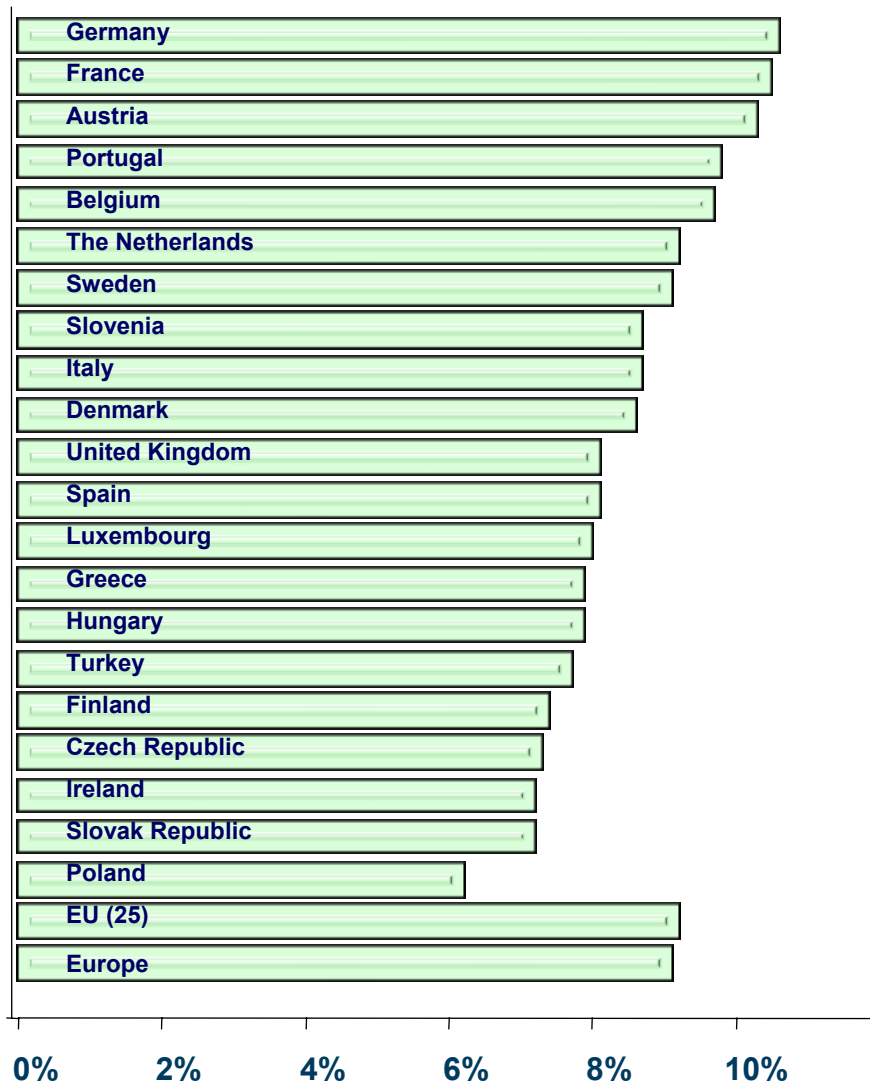
4. Outlook and Strategy

Dialysis in Europe: Not an homogeneous picture

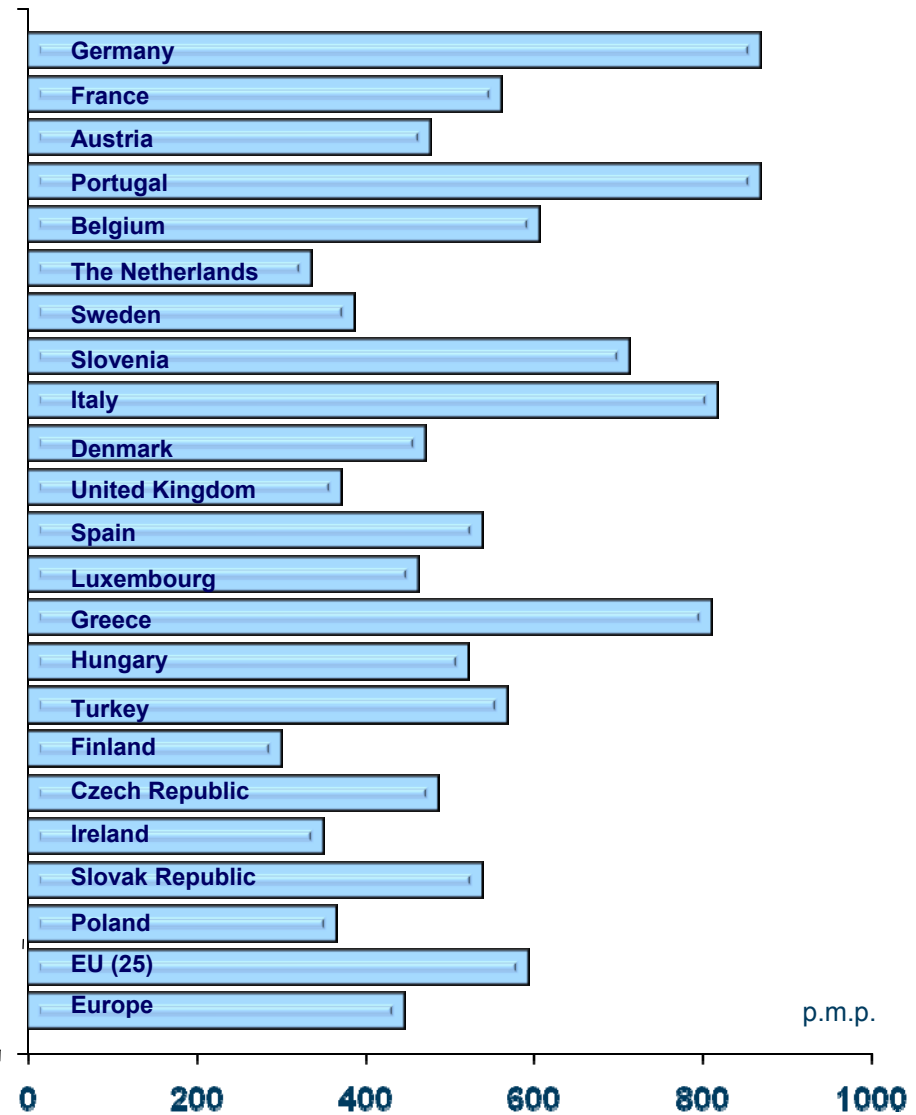


Fresenius Medical Care

Healthcare expenditure as percentage of GDP



Dialysis prevalence (p.m.p.)



p.m.p.

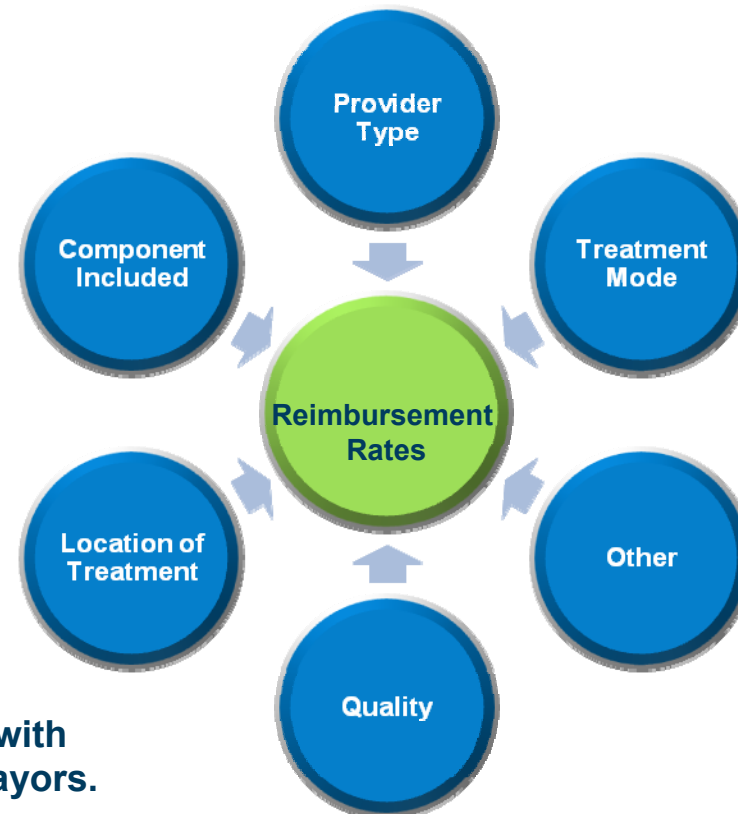
Reimbursement Structures and Rates Vary Widely Across Europe

Structure

- Who is eligible for reimbursement for provision of dialysis service
- How financial resources are distributed to providers

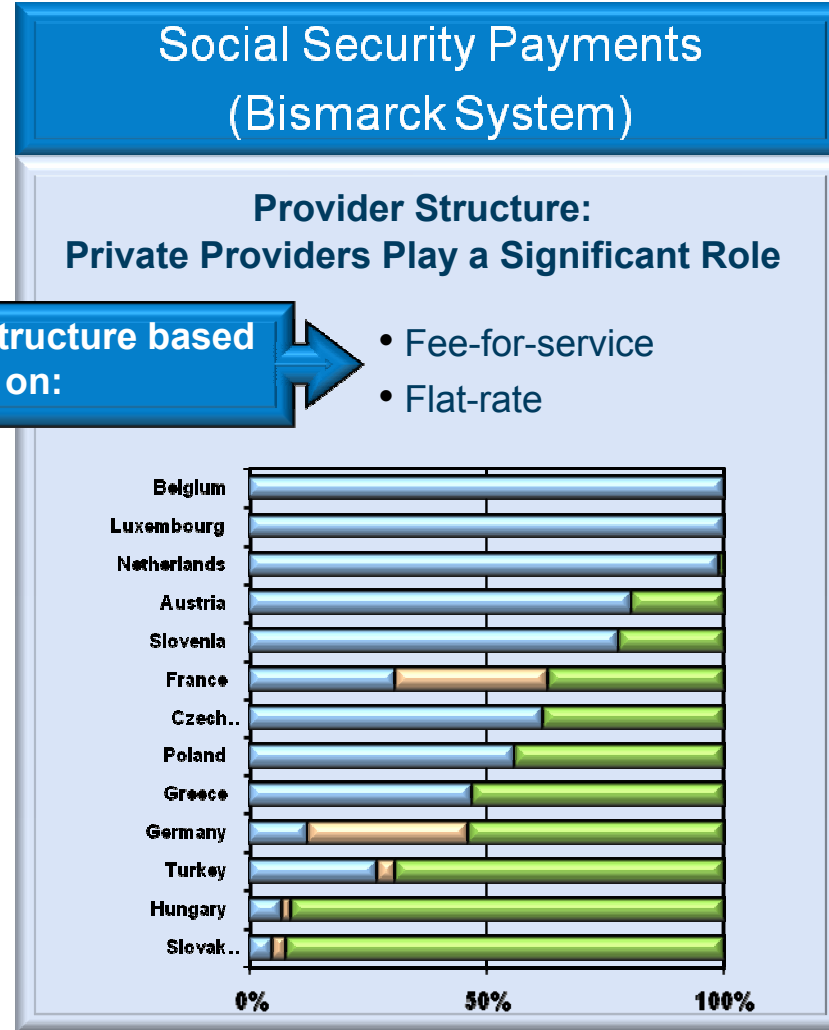
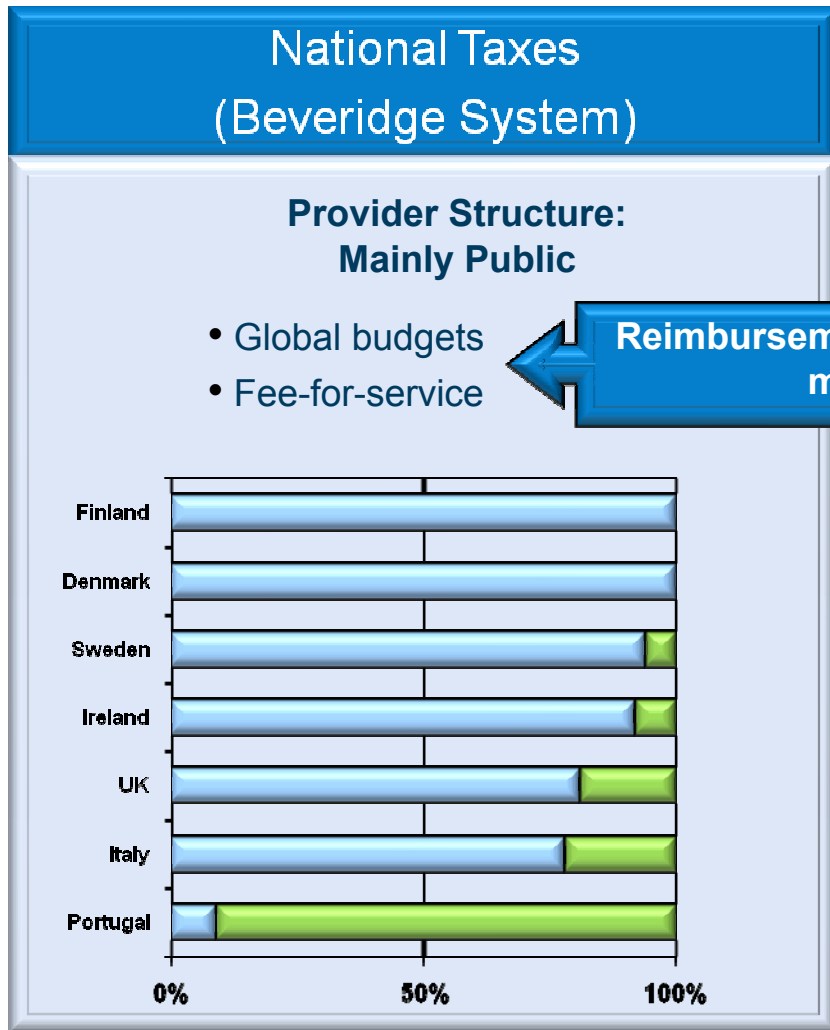
Rates

Rates per treatment can vary by more than 100% within Europe. Rates variation is influenced mainly by:



Dialysis Services are provided in 16 languages with ~ 50 different rates by an uncounted number of payors.

Dialysis Reimbursement Structure – Source of Funding



Reimbursement structure based mainly on:

Public Health Care Organisation (HCO) Private

Source: FME internal analyses

Dialysis Reimbursement Rates – Components Included



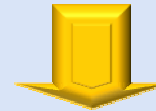
Fresenius Medical Care

Components **included** in the
“base” reimbursement in most of
the countries analyzed*

Core disposables
Machines
Infrastructure
Physician fees
Nursing service
Standard pharmaceuticals
(e.g. heparin, analgesics)

Components **NOT** included in the
“base” reimbursement in most of
the countries analyzed*

Special pharmaceuticals
(e.g. EPO, iron, phosphate binders)
Diagnostics
Laboratory works (Labs)
Nutritional products
Vascular access
Transportation
Hospitalization



**Generally separately
reimbursed**



* **Countries analyzed: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden, The Netherlands, Turkey and the United Kingdom**

Source: FME internal analyses

Dialysis Reimbursement Rates – Provider Type



Fresenius Medical Care

When reimbursement is dependent on provider type, it is generally higher for public providers

Provider Type	Reimbursement Independent of Provider Type	Reimbursement Dependent on Provider Type
<p>Public Healthcare organisation (HCO) Private Private Chain</p>	<p>Austria, Estonia, Germany, Hungary, Poland, Slovak Republic, Slovenia, Turkey</p>	<p>Czech Republic, France, Greece, Ireland, Italy, Portugal, Romania, Spain, Sweden, The Netherlands, United Kingdom</p>
<p>No reimbursement for private providers: Belgium, Denmark, Finland and Luxembourg</p>		



Source: FME internal analyses

Dialysis Reimbursement Rates - Treatment Mode

When reimbursement is dependent on treatment mode, it is generally higher for the non-standard therapies



Treatment Mode

HD

- Standard HD
- HF/HDF*
- on-line HF/HDF*

*Hemofiltration/Hemodiafiltration

PD

- CAPD
- APD

Reimbursement Mainly **Independent** of Treatment Mode

Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Luxembourg, Poland, Romania, Sweden, The Netherlands, Turkey

Austria, Estonia, Germany, Greece, Hungary, Ireland, Romania, Slovenia

Reimbursement Mainly **Dependent** on Treatment Mode

Czech Republic, Greece, Italy, Portugal, Slovakia, Slovenia, Spain, United Kingdom

Belgium, Czech Republic, Denmark, Finland, France, Italy, Poland, Portugal, Slovakia, Spain, Sweden, The Netherlands, Turkey, United Kingdom

Source: FME internal analyses

Dialysis Reimbursement Rates – Location of Treatment



Fresenius Medical Care

When reimbursement is dependent on location, it is generally lower for Limited-Care Centres and Home treatments

Treatment Location
Centre
Limited-Care Center
Home

Reimbursement Independent of Location
Czech Republic °, Denmark, Estonia*, Finland, Germany, Greece*, Hungary, Ireland, Luxembourg, Poland, Portugal, Romania^, Slovak Republic, Slovenia°, Turkey*, United Kingdom

Reimbursement Dependent on Location
Austria, Belgium, France, Italy, Spain**, Sweden, The Netherlands



^ Reimbursement not defined for Home Dialysis. Limited care not allowed.
 * Reimbursement not defined for Home Dialysis and/or for Limited-Care Dialysis.
 ° Limited care and home dialysis not allowed

**Limited care dialysis not allowed

Source: FME internal analyses



1. Europe Market Overview

2. Reimbursement in Europe

3. Market Share and Sales

4. Outlook and Strategy

FME is the Leading Private Dialysis Provider in EMEA

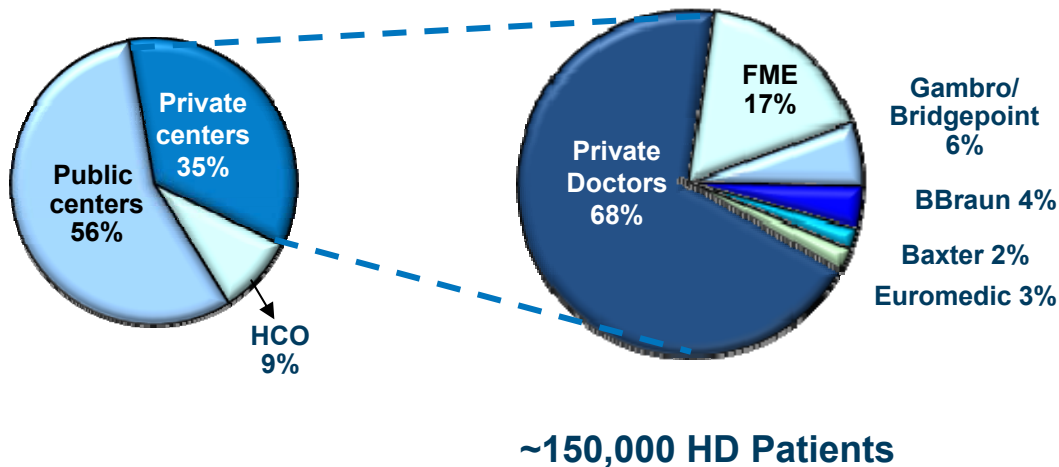


Fresenius Medical Care

2006: ~ 430,000 HD patients in EMEA

Of which treated by private providers

Largest Providers Breakdown

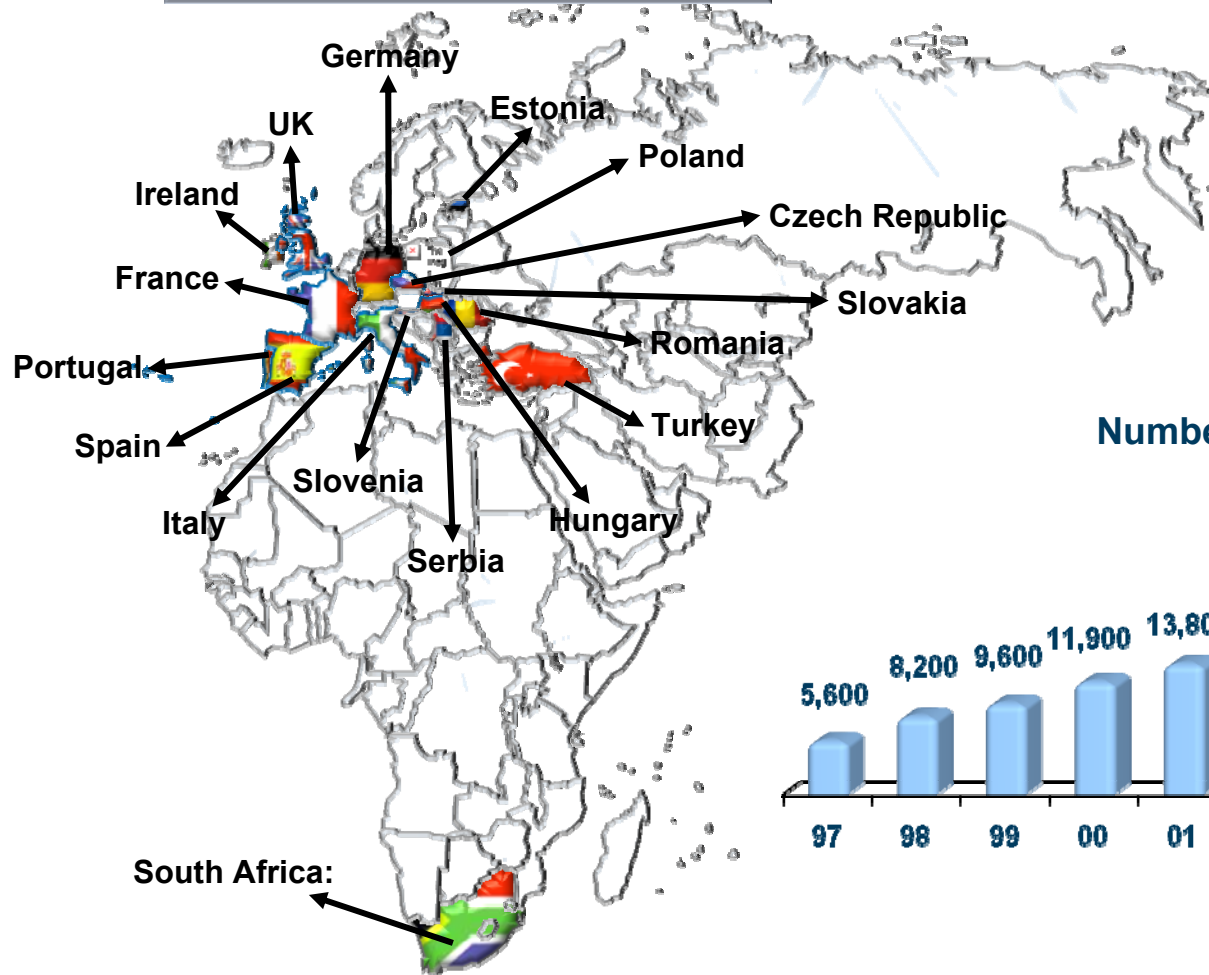
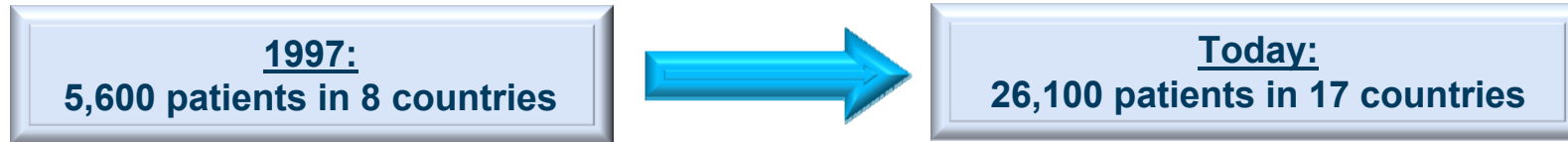


Dialysis Care Provider	Europe, Middle East, Africa
Fresenius Medical Care	26,100
Kuratorium für Dialyse	17,900
Bridgepoint	9,200
B.Braun	6,200
Patientenheimversorgung	5,000
Euromedic	4,100
Baxter	3,300

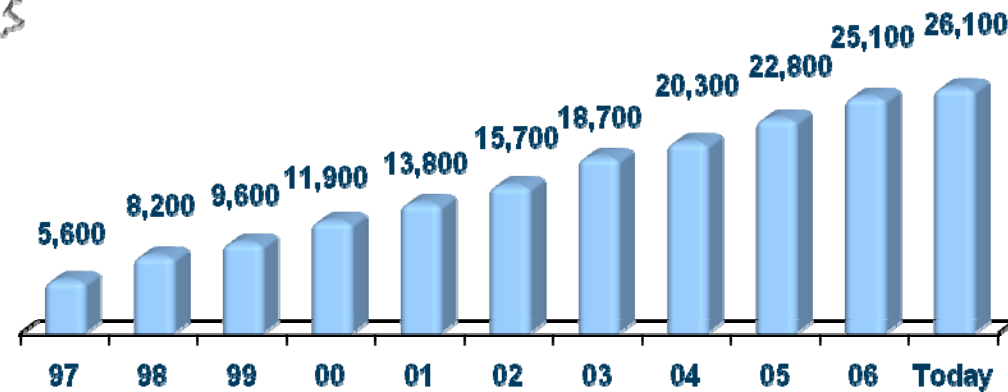
FMC Growth in Dialysis Care: from 5,600 to 26,100 Patients



Fresenius Medical Care

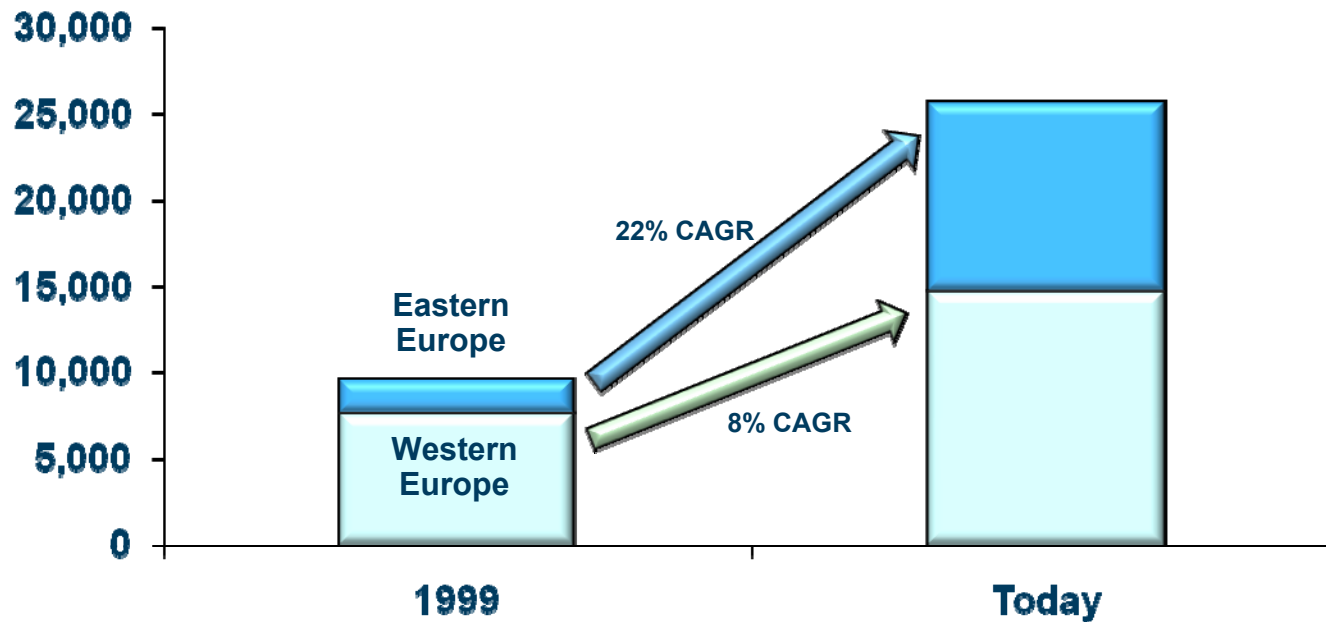


Number of Patients



Number of Patients Treated Continues to Grow

1999 - 2007 FME Patients Development in Western and Eastern Europe



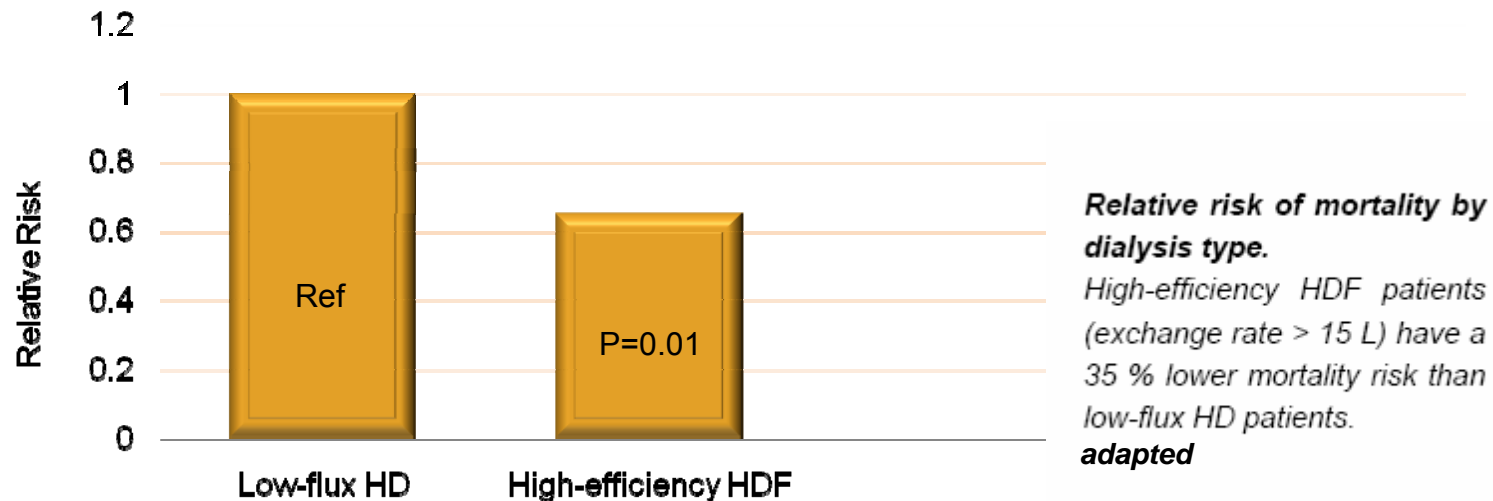
- Growth above market both in Western Europe and Eastern Europe
- Higher growth in Eastern Europe vs Western Europe will persist

Mortality risk for patients receiving hemodiafiltration versus hemodialysis: European results from the DOPPS

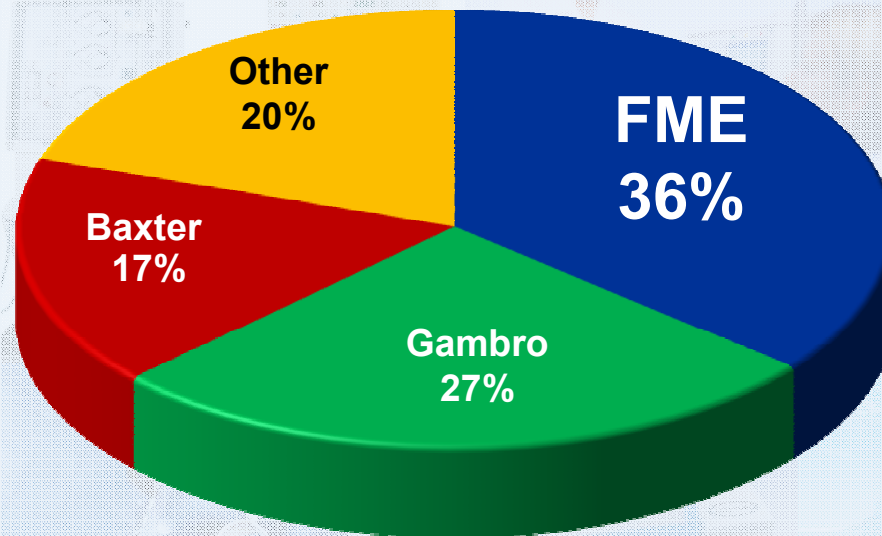
B Canaud, J L Bragg-Gresham, M R Marshall, S Desmeules, B W Gillespie, T Depner, P Klassen and F K Port

This prospective study involving 5 European countries investigated the influence of different dialysis treatment modalities (low- & high-flux HD, low- (exchange rate 5 – 14.9 L) & high-efficiency (exchange rate 15 – 24.9 L) HDF) on the mortality risk of dialysis patients.

The participating 2165 patients were randomly assigned to one of the four above mentioned groups. The results were adjusted for age, gender, time on dialysis, comorbid conditions, weight, haemoglobin, Kt/V etc.



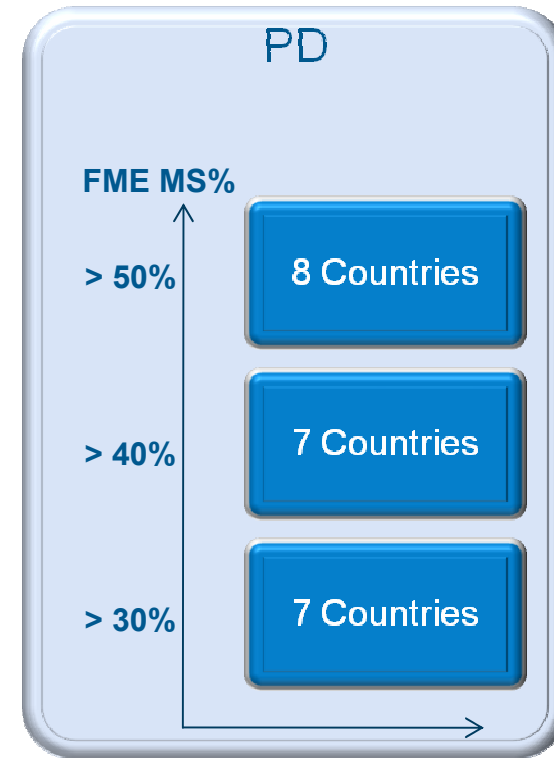
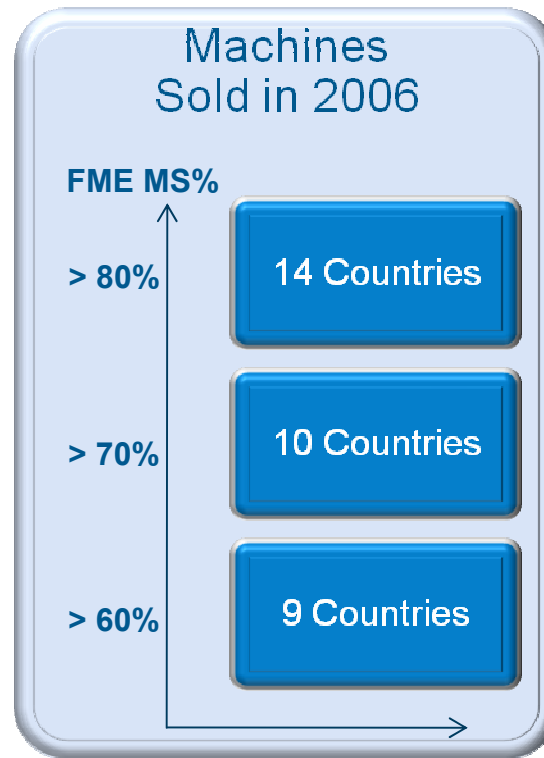
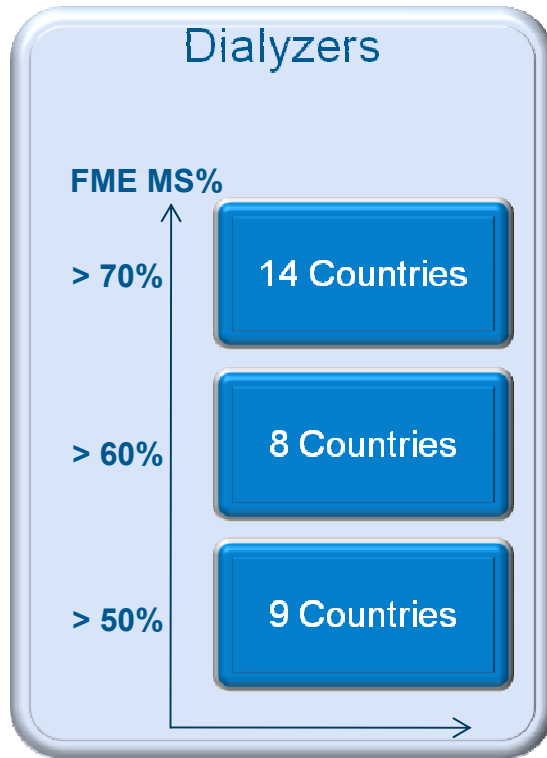
Dialysis Products Market 2006 \$3.5 billion



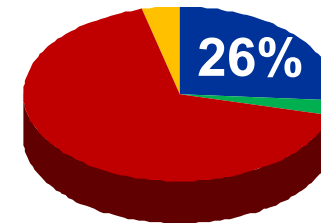
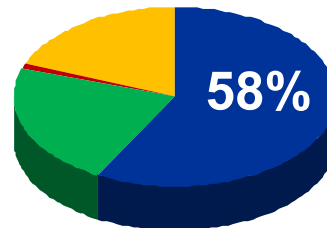
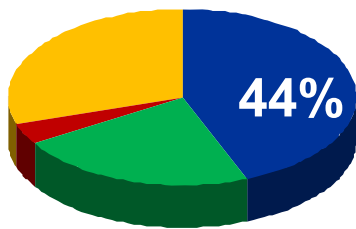
Leading with product excellence, building credibility



Fresenius Medical Care



- FME
- Gambro
- Baxter
- Others



Europe, Middle East, Africa & Latin America Market Share

Growing Market Share in All Dialysis Products - EMEALA



Fresenius Medical Care

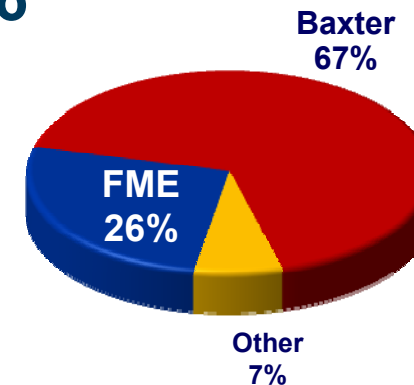
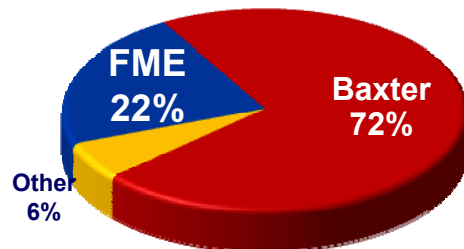
1999

2006

PD Market

40,000 patients

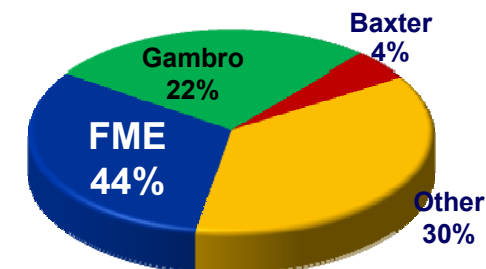
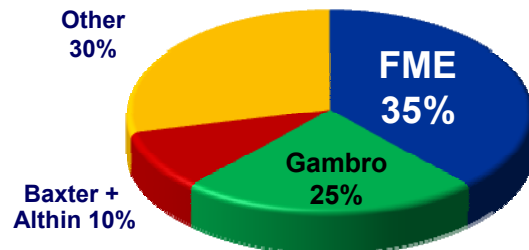
60,000 patients



Dialyser Market

40 million dialysers

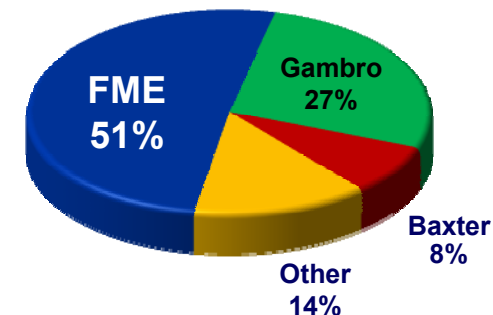
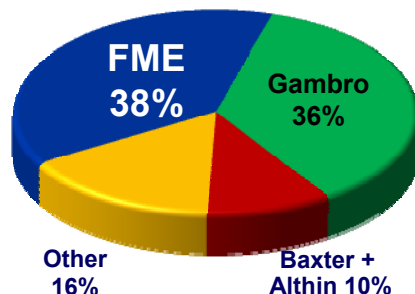
65 million dialysers



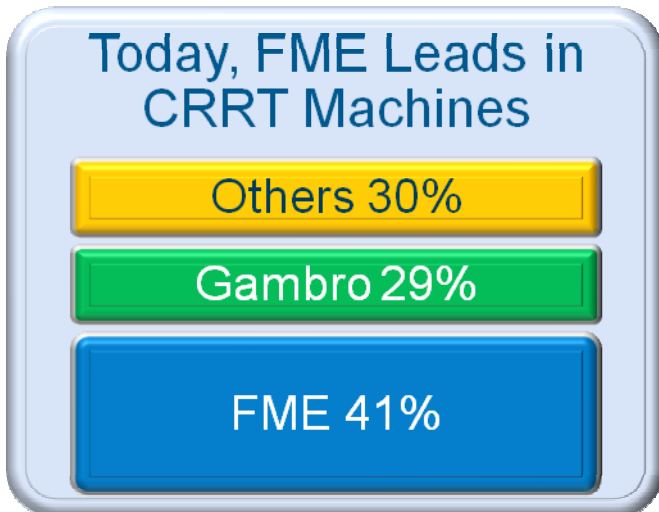
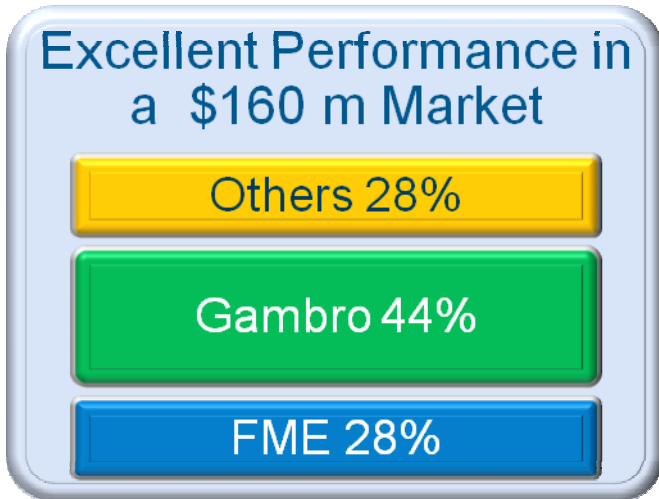
Machine Market

99,000 machines in the market

163,000 machines in the market



Successful Development of Market Niches CRRT Business in Europe, Middle East, Africa: Growth far above Market



Multifiltrate: Proven Reliability



Dialysis Filters – Applied Nano Technology

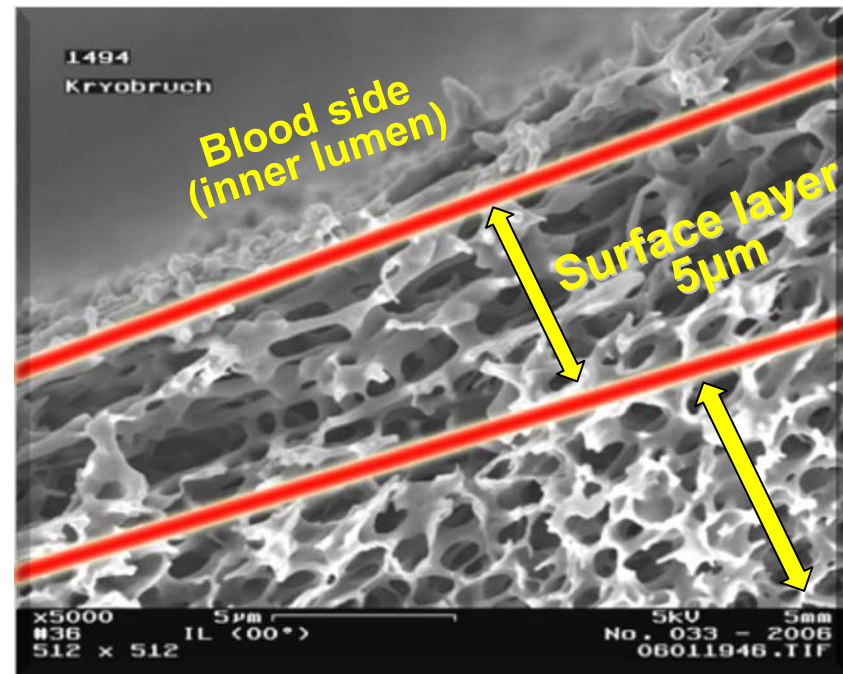
plasmaFlux Dry Membrane in Detail

- Membrane-plugging is prevented or noticeably delayed by the special morphology of the double-layer membrane
- Surface layer: Closure of the pores by blood cells is avoided at the surface layer.
- Filtration layer: Separation of lipoproteins from plasma



- Inner diameter 325 μm
- Wall thickness 60 μm
- Double layer structure
- New spinning nozzle

plasmaFlux dry membrane in detail

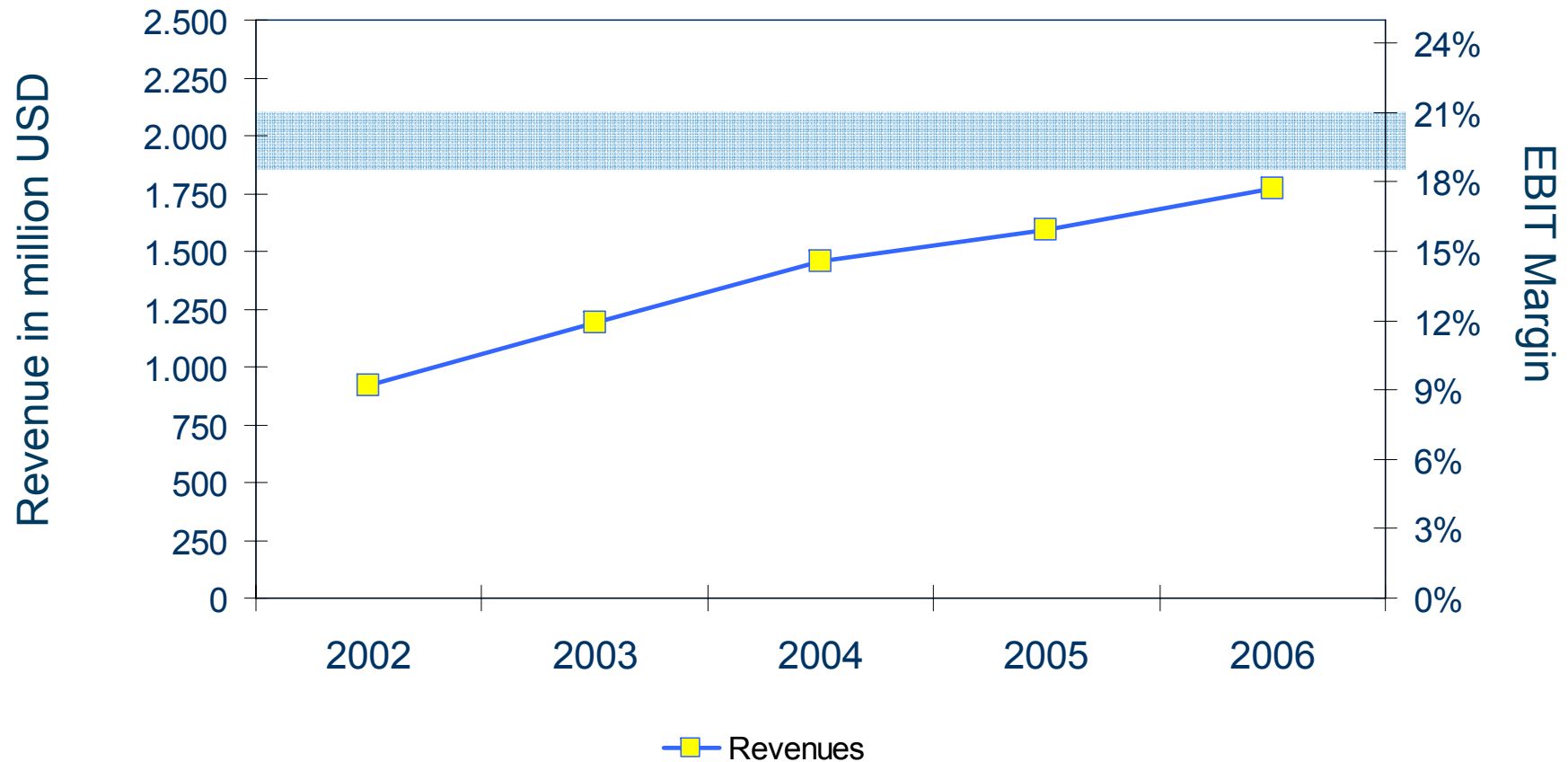


plasmaFlux dry membrane: double-layer structure in profile

Europe, Middle East, Africa: Revenue and EBIT Margin



Proven Track Record of EBIT margin in the bandwidth of 17.5% to 20%





1. Europe Market Overview

2. Reimbursement in Europe

3. Market Share and Sales

4. Outlook and Strategy

Shaping the Future of Dialysis in Europe – Critical Success Factors



Fresenius Medical Care

- **Clinical excellence**
 - Treatment quality control and continuous improvement
 - Higher standards of care setting (ol-HDF)
- **Operation Excellence**
 - Efficiency in resources utilization
 - Uncompromised quality
- **Management and Organizational Excellence**
 - Common management platform (Nephrocare Excellence)
 - Share of best practice
 - Local management with detailed knowledge of country regulations

Europe, Middle East, Africa: Patient Care Targets



Fresenius Medical Care

Today

~ \$700 m

~ 350 Centers

~ 26,100 Patients

4 m Treatments (annu.)

~ 7,000 Employees

17 Countries

2010

\$1,100 m

> 500 Centers

> 40,000 Patients

6 m Treatments (annu.)

11,000 Employees

25 Countries



- In Europe, Fresenius Medical Care has assumed market leadership by continuously introducing innovative products of the highest quality
- Fresenius Medical Care has utilized its experience to build the strongest international network of dialysis centers, demonstrating highest standards of patient care combined with operational excellence
- The future of dialysis in Europe will be based on the synergy between product innovation and continuous improvement in the quality of care



Shaping the Future of Dialysis in Asia-Pacific

Roberto Fusté

Capital Markets Day

September 20-21, 2007



Fresenius Medical Care



1. Asia-Pacific Market Overview

2. Asia-Pacific Reimbursement

3. Market Share and Sales

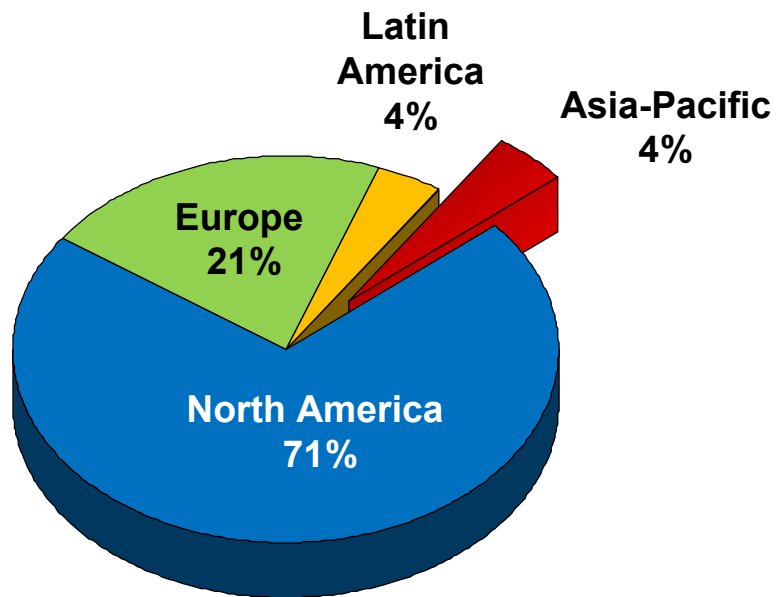
4. Outlook and Strategy

Fresenius Medical Care Growth Opportunities in Asia-Pacific



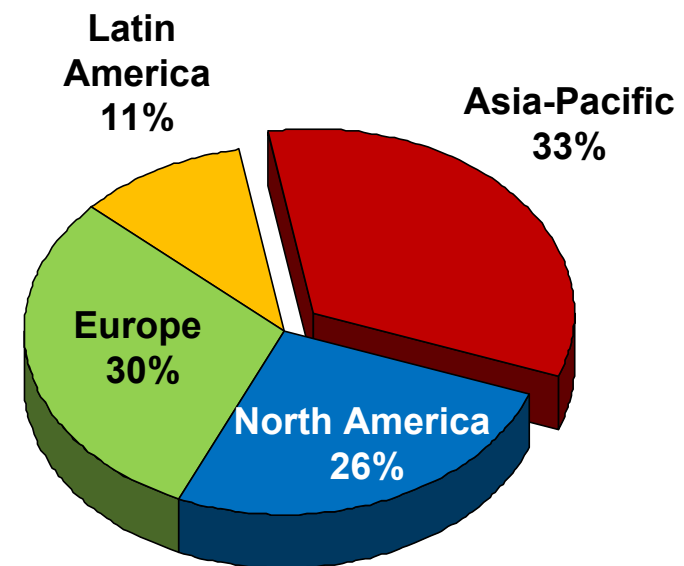
Fresenius Medical Care

Revenues by Region 2006



FME Group Total: \$8.5 billion

Dialysis Patients by Region 2006



Worldwide: 1.55 million

**Higher GDP Growth and the Likelihood for Deregulation of Markets
Significant Growth Opportunities**

Worldwide Dialysis Patients 2006

Key Asian Markets



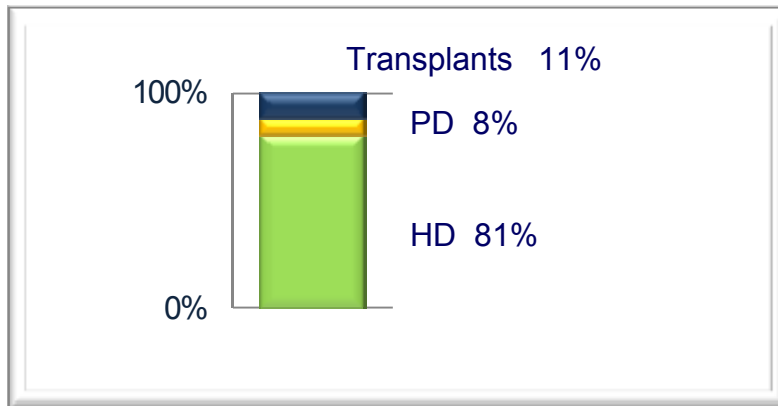
Fresenius Medical Care

Country	Population in mio.	% of World Population	Dialysis Patients in thds.	% of Total Dialysis Patients	Dialysis Prevalence
United States	300	5%	340	22%	1,130
Japan	127	2%	271	18%	2,130
Brazil	189	3%	77	5%	140
Germany	82	1%	71	5%	870
China	1,318	20%	59	4%	45
Italy	0	1%	47	3%	820
Taiwan	23	0.4%	45	3%	1,950
Mexico	108	2%	42	3%	390
Turkey	73	1%	42	3%	580
South Korea	49	1%	38	2%	780
France	61	1%	34	2%	560
Egypt	80	1%	33	2%	420
India	1103	17%	25	2%	23
Argentina	40	1%	24	2%	600
United Kingdom	61	1%	23	1%	370
Countries 16 - 140	2,589	40%	376	24%	145
Countries 141 - 232	280	4%	0	0%	0
Totals	6,400	100	1,550	100%	240

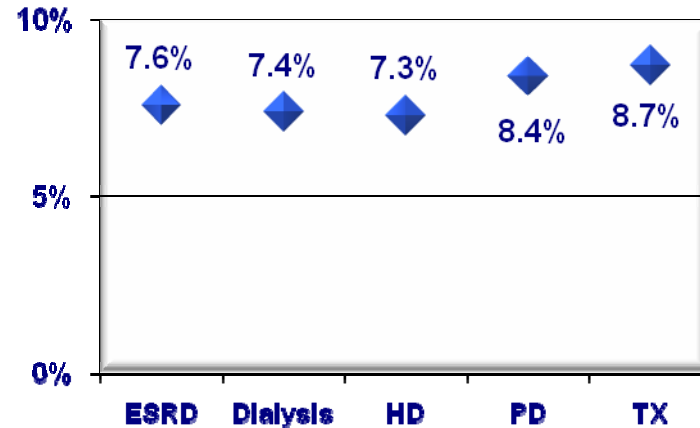
Source: FME Research

Asia-Pacific – ESRD Patients 2006

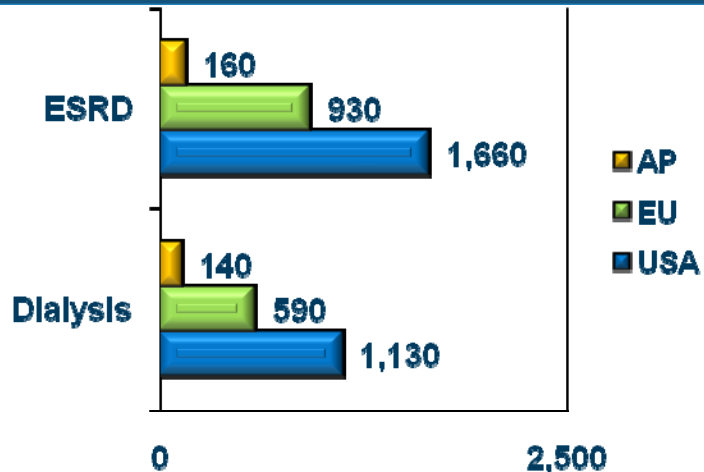
581,000 ESRD Patients



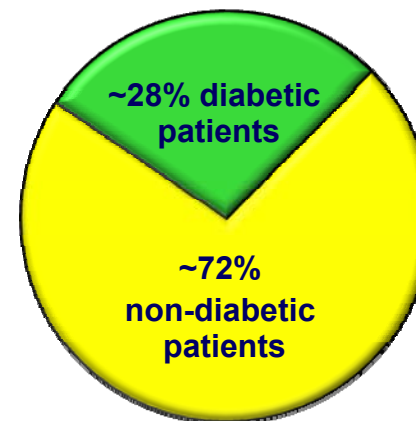
2003-2006 CAGR



2006 Prevalance (pmp)



Diabetic ESRD Patients

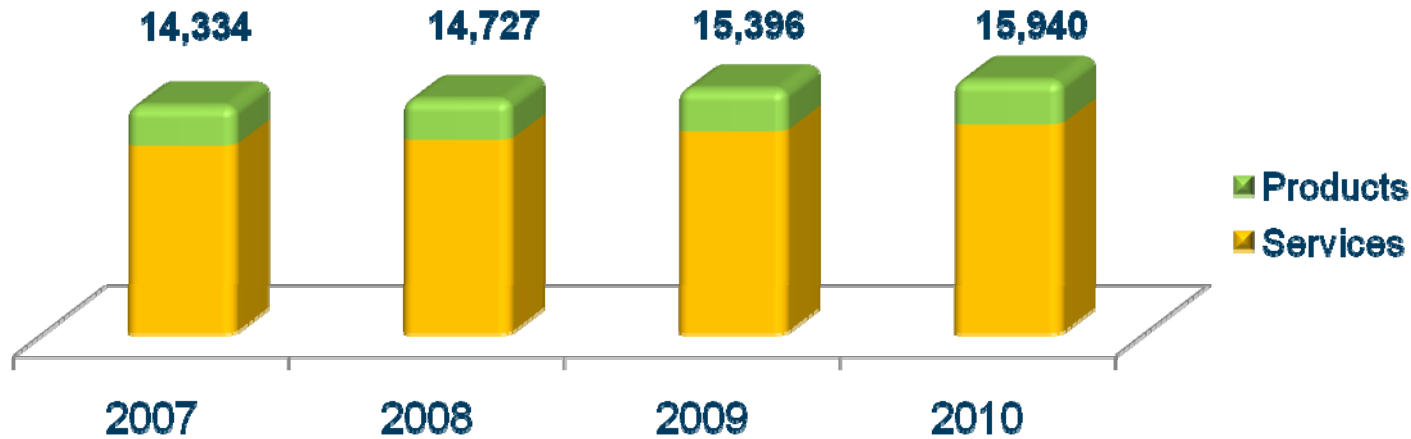


Source: Company Estimates

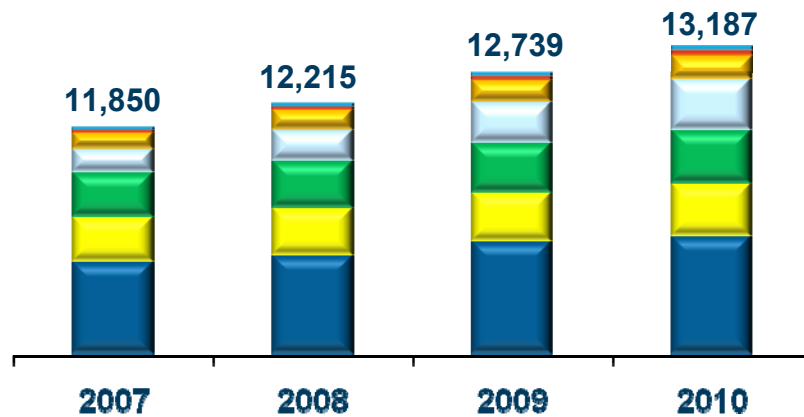
Asia-Pacific – Total Market Value



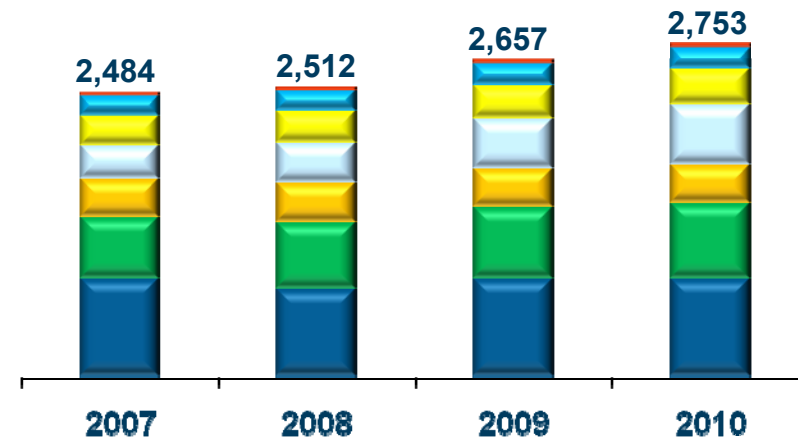
Fresenius Medical Care



Services



Products



■ Japan
 ■ Taiwan
 ■ Korea
 ■ China
 ■ Others
 ■ Australia
 ■ Singapore



1. Asia-Pacific Market Overview

2. Asia-Pacific Reimbursement

3. Market Share and Sales

4. Outlook and Strategy

Reimbursement Overview



Fresenius Medical Care

**Full
Public**

Australia



- Government reimbursement \$221; Private reimbursement \$206
- Rates include: dialyzer, disposables, nurses' salary, machines & maintenance, infrastructure clinic. Rates exclude: EPO, transportation, ancillary services
- Current split: 30% government funding / 70% private funds
- Recently, significant increase in funding from government for public patients treated in FME units due to government capacity issues.

**Full
Reimbursement**

Japan



- Operating on a 'component system' depending on treatment modes
- Reimbursement cut April 1, 2006
- Dialyzers: 5-40% of which Type 4: 16-19%; Type 5: 5%
- PD bags: 5% ; Clinics: 2-7.5%
- Average reimbursement \$260, including dialyzer, operating fee, examination, nutrition & meals consultation, medication & drugs, medical management for outpatient, X-ray

**Public
Co-Payment**

Korea



- Public system with co-payment structure
- Medicare patients (employed or retired): 80% treatment cost reimbursement by government Medicaid patients (unemployed or not covered by insurance): \$146 (including EPO)
- Average HD treatment fee charged by provider is ~\$154, including diagnosis, material cost, technical fee, medicine, EPO and blood transfusion.

Reimbursement Overview (cont'd)



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Public
Co-Payment



Taiwan

- TWD 4,100 / \$124 (including EPO) subject to Global Budget & Cascade System reduction
- HD reimbursement adjusted by deduction ratio on a quarterly basis, depending on capitation of growth rate, actual patient growth, cascade deduction, quality assurance reserved funds
- HD deduction ratio in the past 5 year approximately 4%; in the future 5-8% expected due to limited capitation growth

Co-Payment



China

- 163 million urban residents covered by Urban Medical Insurance by March 2007
- 140 million rural residents covered by new type of Rural Cooperative Medical Insurance by 2006 (only for basic medication)
- Co-payment for urban and rural patients: 5-20% and 30-60% respectively
- Reimbursement varies from city to city; Shanghai \$52, Beijing \$63, including dialyzer, bloodlines, concentrate, other medical supplies (without EPO)
- Encouragement of private medical insurance



Strong leadership in all HD products

- HD product value market share of >40% in 2007



Major expansion of services business through the acquisition of Jiate Excelsior with 90 clinics

- Integration successfully completed

HD patient market share (company owned) increased from 17% in 2006 to 72% in 2007

Revenues of \$164 mio and 1,384 mio treatments on 9,200 patients in 113 clinics (consolidated + unconsolidated centers) forecast for 2007

Several De Novos and Acquisition projects planned for 2008





Medical Institutions / Hospitals

- Approx 67,000 medical institutions/ hospitals, categorized in classes
- Only Class II & III hospitals (6,500 hospitals) offer dialysis treatments

Reimbursement / Tender Process

- Reimbursement schemes vary from city to city
- Average reimbursement per treatment: Shanghai RMB 400, Beijing RMB 480
 - Typical co-payment for HD patients:
 - Urban patients:
 - Inpatient 5-15%
 - Outpatient 10-20%
 - Rural patients: 30-60%
- No standard product tender/bid process; each province and city has its own

China: Public Health Care Coverage Expanded to All Urban Inhabitants

Social / Medical Insurance Coverage



- **1998: Health insurance program for the urban employee;** 162 million people covered by March 2007
- 2003: Cooperative health care program for **some rural residents;** 140 million people covered by 2006
- Free health insurance for **government employees**

- **23 July 2007: Announced the introduction of national health insurance program for ALL urban residents (including children and the unemployed)**

- Program finance by the Central Government
- 79 cities to launch pilot by the end of September
- Targets full urban coverage by 2010
- An additional 200 million urban residents will be insured

21 July 2007
Chinese Premier Wen Jiabao on an early Saturday morning visited a community medical service center to see how basic medicare for urban residents works



China Healthcare System Overview (cont'd)



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- **Update 6 September 2007:**
 - Government will phase out the drug sales approach for sustaining health service as part of the healthcare reform
- **Drug costs currently make up for 44% of total medical expenditure in China**
- **For the first time, a top health official (Minister of Health, Chen Zhu) is talking about the blueprint guiding China's Health Reform**
 - The state council has set up a team from 16 ministries to work on the blueprint
- **“The government will increase funding to the healthcare sector and work out a proper pricing mechanism which better reflects the value of medical services” (Chen Zhu)**
- **Rural Cooperative Medical Insurance System currently covers 83% of rural population, i.e. 720 million**
 - Chen Zhu forecasts universal coverage by 2009





Reimbursement – Current

- Dialysis treatment is currently not reimbursed
- Exception: limited number of patients that are government or ex-government employees (\$59 per treatment, including renal drugs) or employees from nationalized industries (e.g. Indian Railways)
- Renal patients from this segment represent less than 2% of the overall dialysis patient base

Reimbursement – Trend

- No change in the last five years
- No change expected in the near future
- Private health insurance is in its infancy, and dialysis treatment is not included in standard policies

Product Tender Process

- Majority tenders are decentralized
 - Individual hospitals are free to tender for their own requirements/ Funding by State Government
- Exceptions: strategic and nationalized departments handled by the Central Government (e.g. Defense, Railways)
- Two-part bid: Technical Bid (product description) and Commercial Bid

Japan: Acquisition Opportunities Might Open Up Following Policy Change

Dialysis Services



- Only physicians can legally own, manage and operate a clinic
- Government is reviewing its policy that might result in an opening up of the provision of medical services by companies in the foreseeable future
- FME currently provides consulting services to dialysis centers

Reimbursement

- Scheme reviewed every 2 years, bi-annual healthcare cuts
- Operating on a 'component system' depending on treatment modes
- Reimbursement cut April 2006:
 - Dialyzers: 5-40%, depending on dialyzer class
 - FME dialyzers: 16-19%
 - PD Bags: 5%
 - Clinics: 2-7.5% per treatment
- Next review: April 2008



1. Asia-Pacific Market Overview

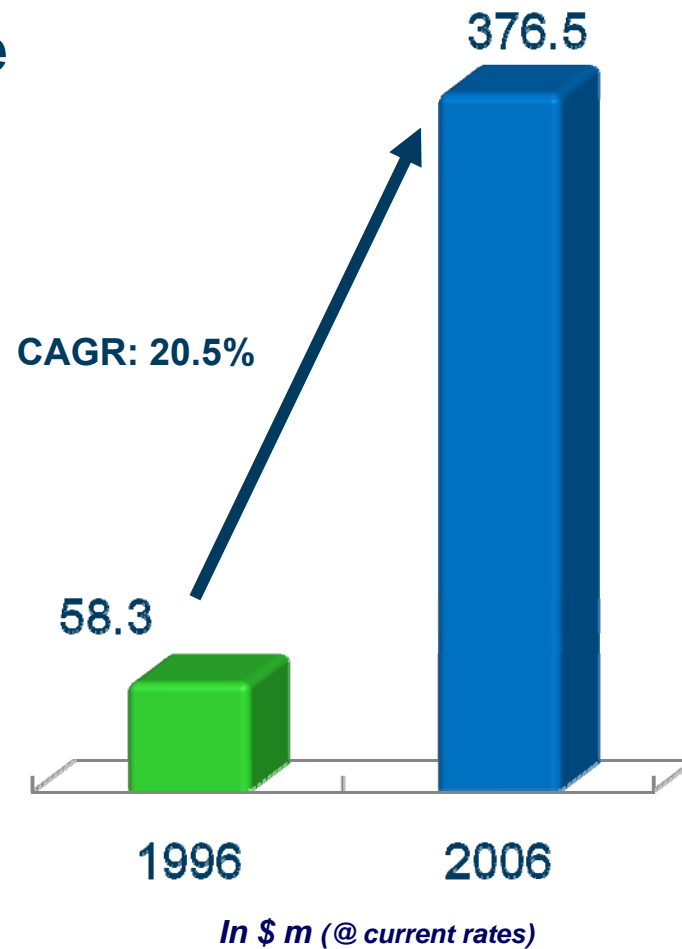
2. Asia-Pacific Reimbursement

3. Market Share and Sales

4. Outlook and Strategy

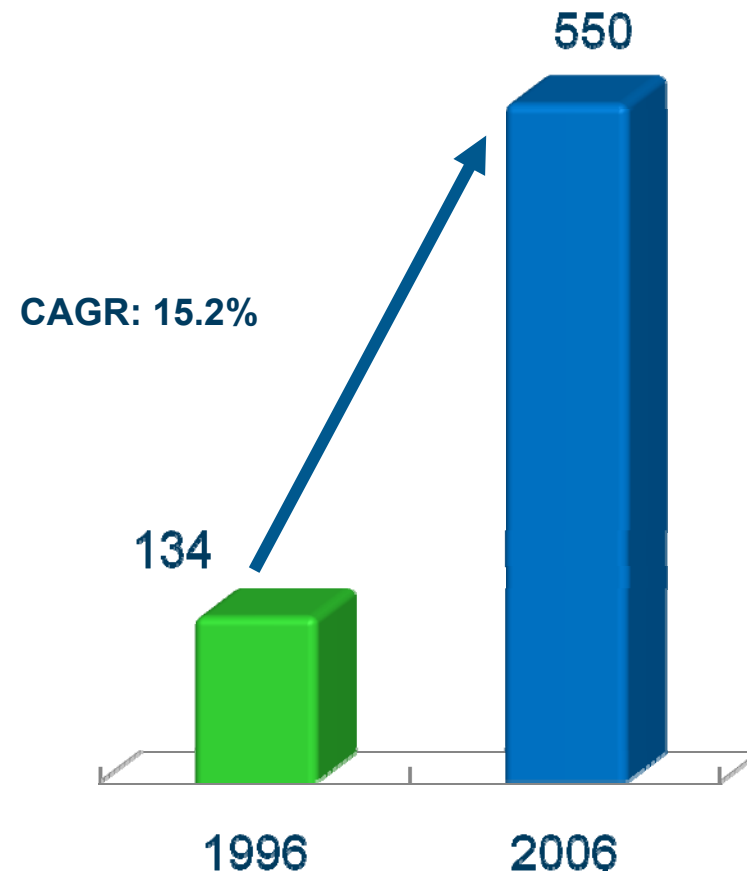
Asia Pacific Ten Year Growth – Revenue

Revenue



Asia Pacific Ten Year Growth – Dialysis Care

Treatments X 1000

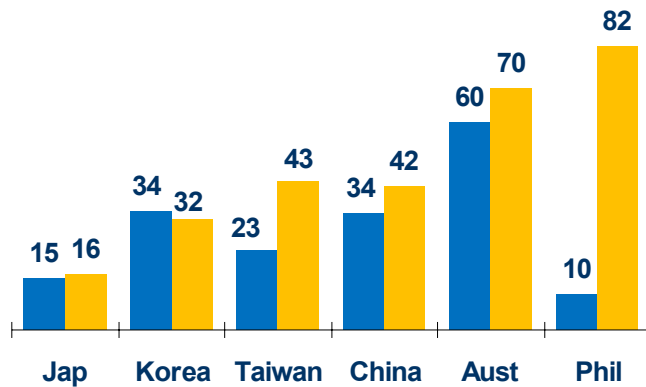


FME Product Market Share – 2007 vs 2001

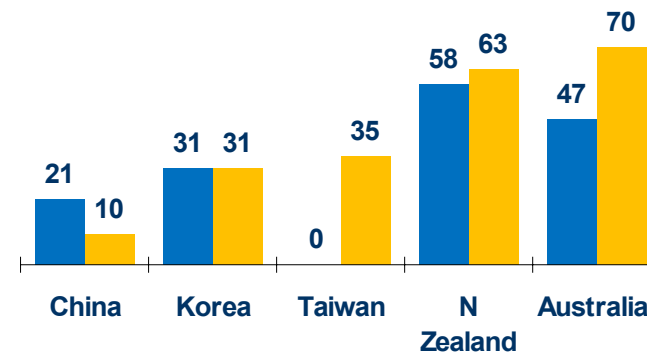


In %

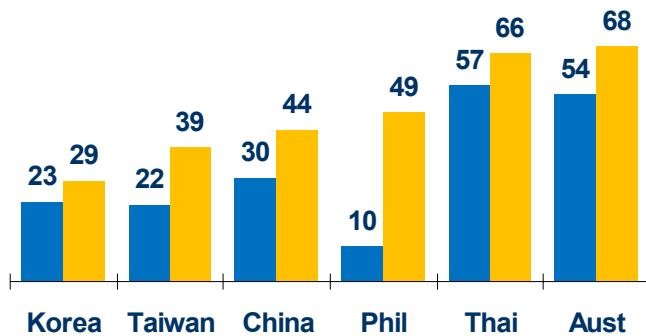
Dialyzers (quantity)



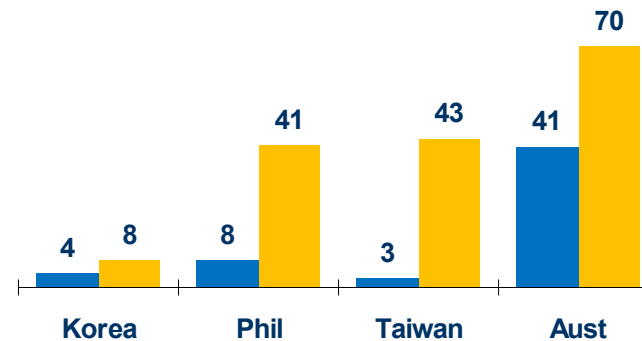
Bloodlines (sets)



HD Machines (quantity)



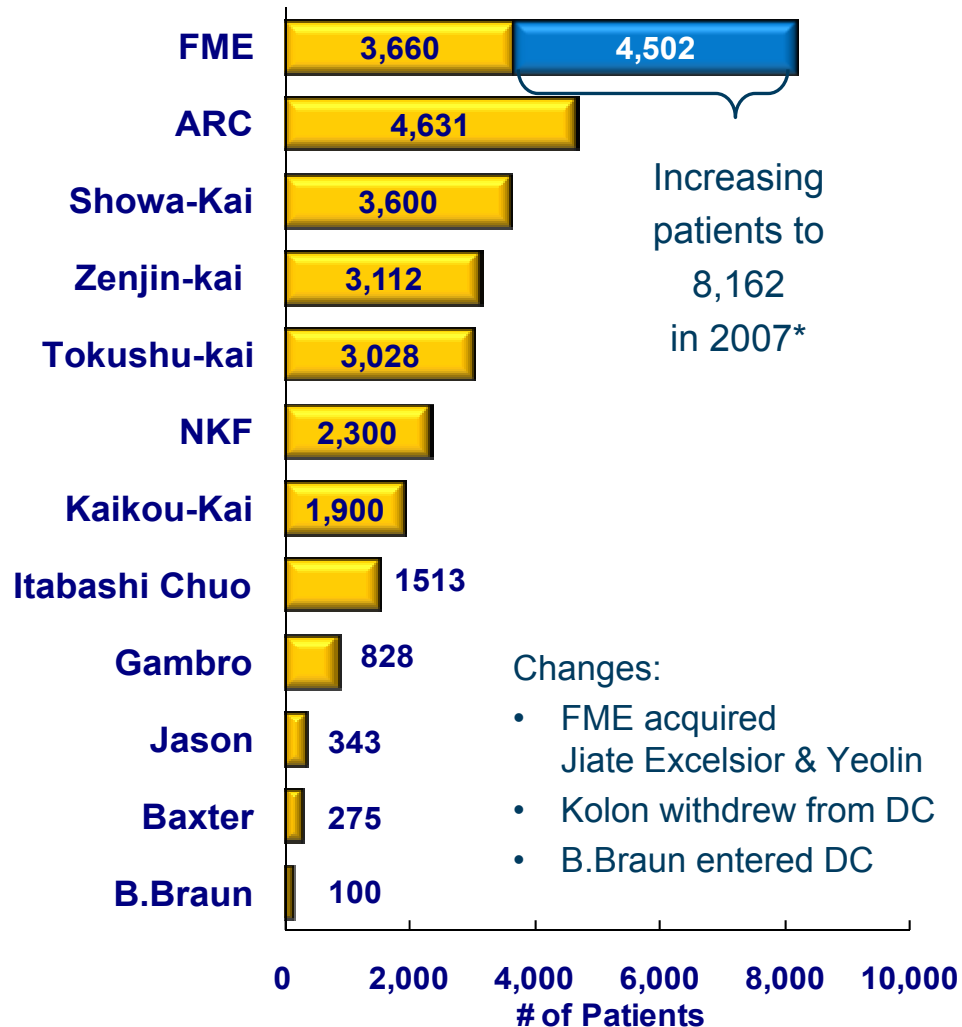
Concentrates* (value)



■ 2001 ■ 2007E

*dry & liquid combined

AP Dialysis Care Landscape 2007



Clinics

From 40 Clinics in '06 to 105 in '07

- 70 Throughout Asia
- 29 in Japan
- 29 in Japan
- 55 in Japan
- 21 in Singapore
- 12 in Japan
- 8 in Tw / Aus
- 8 in Tw / Aus
- 9 in Korea
- 8 in Korea
- 6 in Aus / SGP

07E Dialysis Care Rev (\$m)

From \$80 m in '06 to \$185 m in '07

- \$83
- \$165
- \$150
- \$140
- \$30
- \$85
- \$70
- \$17
- \$8
- \$8
- \$2



1. Asia-Pacific Market Overview

2. Asia-Pacific Reimbursement

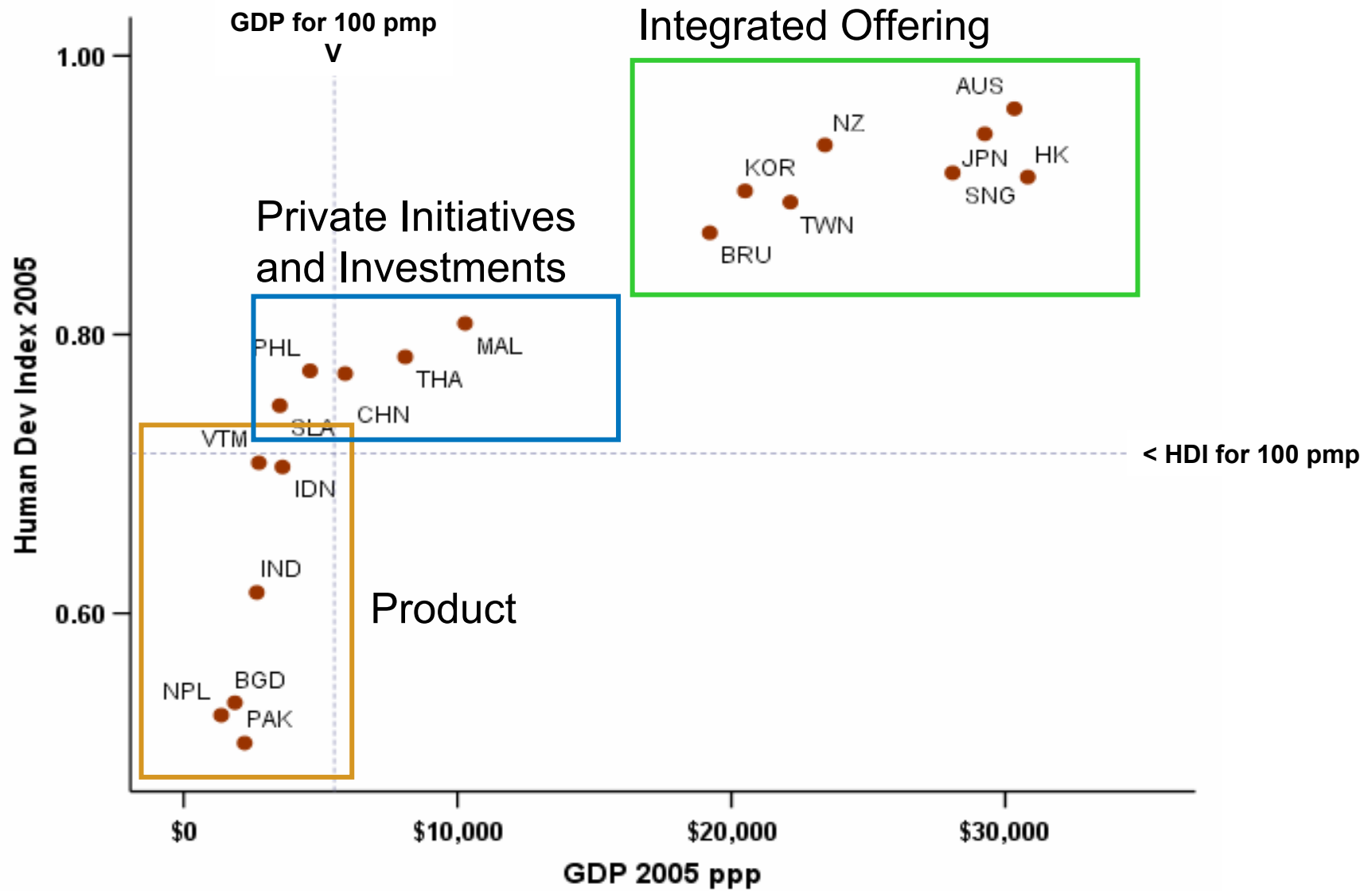
3. Market Share and Sales

4. Outlook and Strategy

Different Segments Needing Different Growth Strategies



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Top 8 Growth Countries for (Potential) Services Business



Strategy	Country	Current	Future
Integrated Offering Private Initiatives and Investments Products	Taiwan	NC Clinics / JVs	NC Clinics
	Korea	NC Clinics	NC Clinics
	Australia	NC Clinics	NC Clinics / JVs
	Japan	Consulting Service	NC Clinics / JVs
	Philippines		NC Clinics
	China		NC Clinics / JVs
	Malaysia		NC Clinics / JVs
	India		NC Clinics

Key Strategic Activities – Dialysis Care

- Integration of Jiate Excelsior in Taiwan (6,500 patients)
- Establish NephroCare Business Services in China
- Expand South Korea clinics base
- Establish premium clinics in top 8 cities in India
- Continue growing dialysis care in Australia



Key Strategic Activities – Dialysis Products



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- Continue expanding HD leadership throughout the whole region
- Continue strong growth in Home Therapies in key countries



Home Therapies in Asia Pacific – Strategic View

- PD is slowing down in developed markets
(e.g. Japan, South Korea)
- PD is growing in developing markets with low reimbursement
(e.g. China, India)
- HHD is fully established in Australia and New Zealand
- Key HHD projects in Korea and Hong Kong
- Home Therapies is under represented in Asia-Pacific and will continue growing throughout the region



HHD = Home Hemodialysis

Key Strategic Activities – Production

China



- Development JiangSu Plant

Japan



- Dialyzer production line Buzen plant

Other Manufacturing Opportunities

- India: Ongoing PD production projects

Key Strategic Activities – New Business



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Renal Drug Initiative

- First Initiative in key countries
- Market evaluation for PhosLo ongoing

Fresenius Institute of Dialysis (F.I.D.N.)



Disease State
Management

- Human Capital Management
- RDI
- Home Therapies

Dialysis Services

Dialysis Products

Summary Financial Targets 2008 - 2010



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Revenue Target 2010: More than \$800 million

Key Strategic Activities



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Dialysis Care



- Integration of Jiate Excelsior
- Consolidation of Service Business Taiwan
- Community Centers in China
- Expand South Korea and Japan
- Start pilot in India

Dialysis Products



- Expand HD Leadership
- Launch PD China
- Alliance / Partnership in Japan
- Expand Bloodlines & Concentrates Activities
- Leverage Vertical Integration
- Expand Home HD

New Business



- RDI
- FIDN Roll Out
- Expand Acute Dialysis Business

Production



- Start up China Plant
- FX Line Japan
- Other Manufacturing Opportunities
 - Indonesia
 - India
 - Malaysia

Conclusion



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- The strong economic development and high population in Asia Pacific makes this region an attractive high potential for dialysis business
- Economic development allows higher government funding on healthcare in general, and dialysis care in particular
- FME in Asia Pacific is strategically positioned as the leading renal care company in products and services, capitalizing on the region's high growth potential and opportunities





Shaping the Clinical Future of Dialysis Worldwide

Raymond M. Hakim, MD, PhD.

Capital Markets Day

September 20-21, 2007



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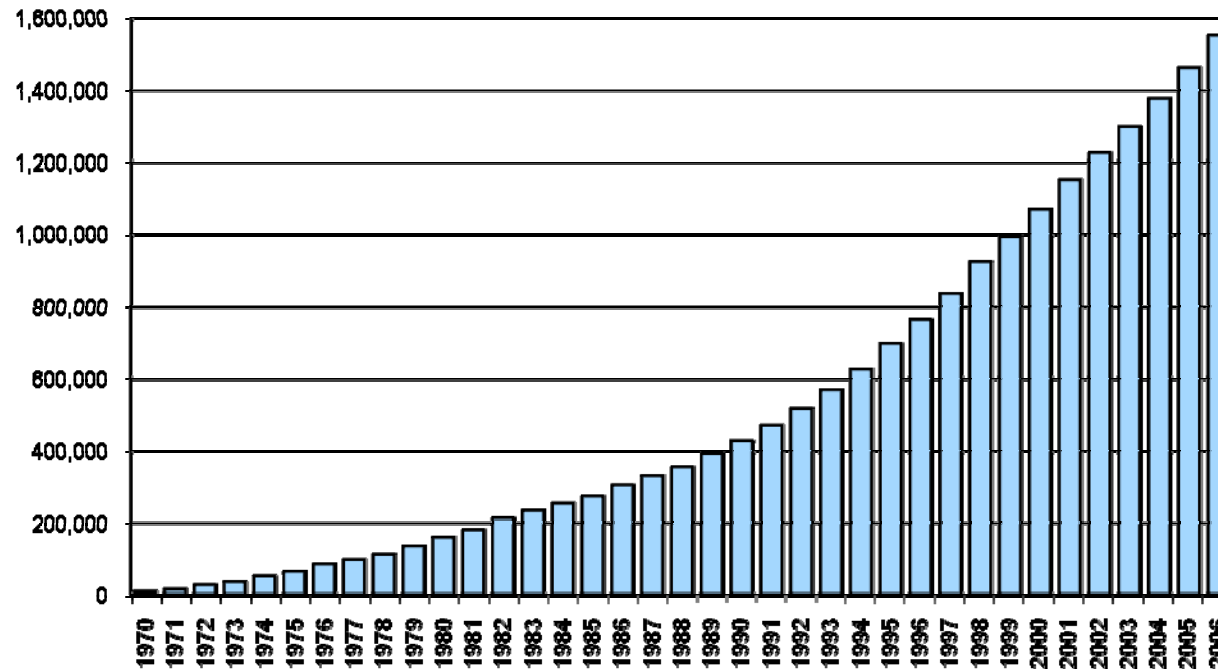


- Worldwide ESRD Incidence and Prevalence
- Mortality Trends in US and Worldwide
- Treatment Guidelines
- Opportunities to Improve Dialysis Treatment and Patient Outcomes
 1. Dialysis Membrane
 2. Dialysis Technology
 3. Mineral Metabolism
 4. Anemia Management
 5. Nutrition
 6. Vascular Access
- Impacting Growth in FME Clinics

Growth in Number of Dialysis Patients Worldwide



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2 million dialysis patients expected in 2010

4 million dialysis patients expected around 2025

- Renal failure persists as a chronic worldwide epidemic
- Dialysis is the primary treatment modality for renal failure on a global scale
- Exponential growth trend continues on a global scale as incidence (new cases) and patient survival improve.

Number of Dialysis Patients in Different Countries



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#	Country	Number of Dialysis Patients
1	United States	340,000
2	Japan	271,000
3	Brazil	77,000
4	Germany	71,000
5	China	59,000
6	Italy	47,500
7	Taiwan Province of China	45,100
8	Mexico	42,300
9	Turkey	42,100
10	Republic of Korea	38,100
11	France	34,200
12	Egypt	33,000
13	India	24,900
14	Argentina	24,100
15	United Kingdom	22,500
16	Spain	21,700
17	Canada	19,700
18	Russian Federation	15,500
19	Colombia	14,800
20	Iran	14,500
21	Malaysia	14,400
22	Poland	14,000
23	Thailand	13,800
24	Chile	12,400
25	Indonesia	10,500

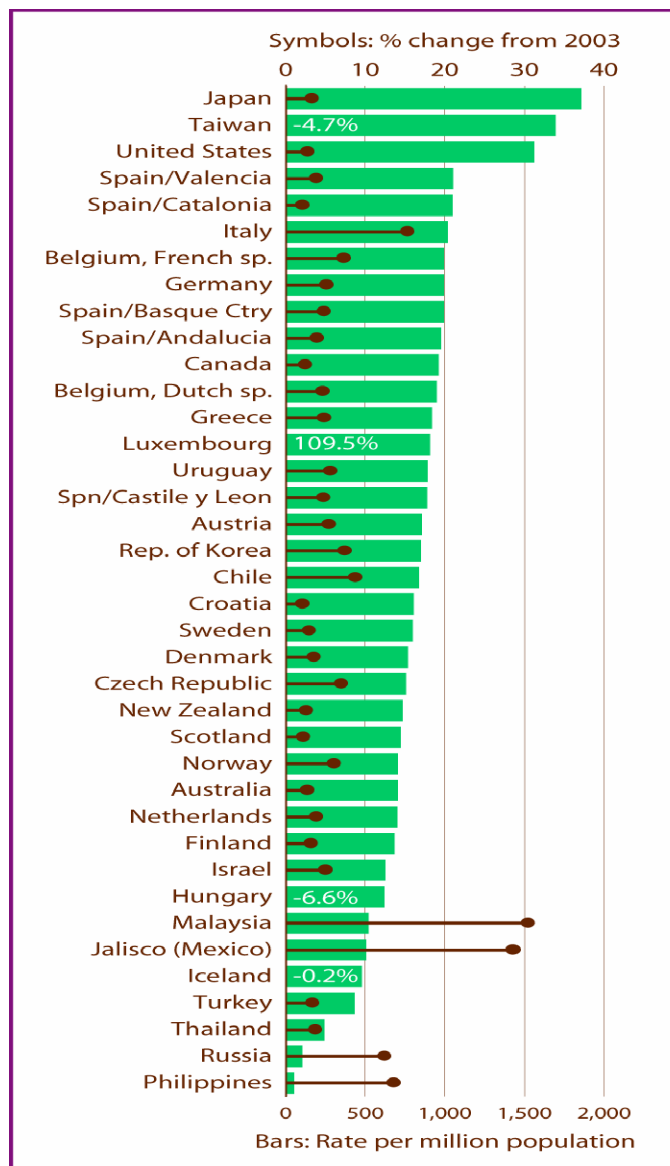
#	Country	Number of Dialysis Patients
26	Venezuela	9,900
27	Portugal	9,200
28	Australia	8,900
29	Algeria	8,700
30	Greece	8,700
31	Saudi Arabia	8,600
32	Philippines	8,100
33	Romania	6,800
34	Tunisia	6,700
35	Pakistan	6,500
36	Belgium	6,300
37	Peru	6,100
38	Netherlands	5,500
39	Hungary	5,200
40	Morocco	5,200
41	Czech Republic	5,000
42	Serbia and Montenegro	4,800
43	Israel	4,500
44	Hong Kong	4,300
45	Singapore	4,100
46	Austria	3,900
47	Sweden	3,500
48	South Africa	3,300
49	Syrian Arab Republic	3,000
50	Croatia	3,000

Source: FME Market and Competitor Survey, 2006

Prevalence of ESRD (per million population), 2004



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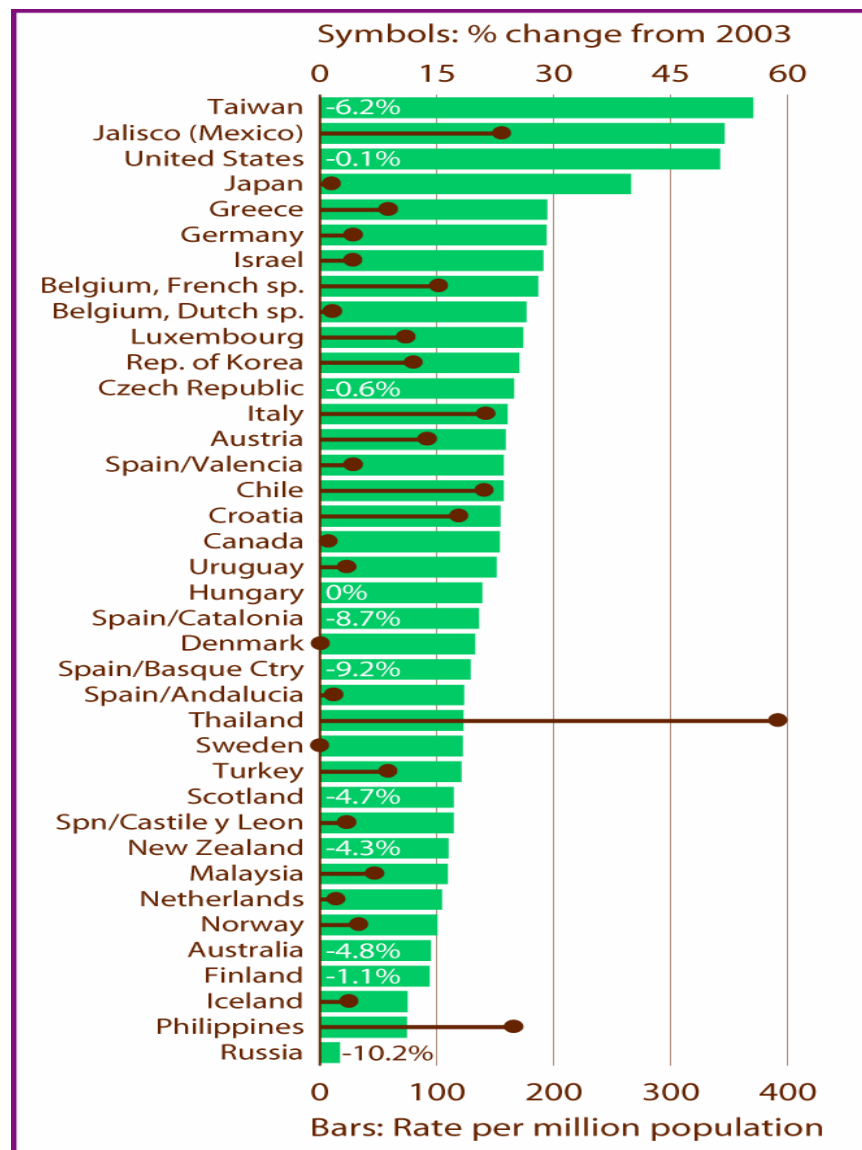
Data presented only for those countries from which relevant information was available. All rates are unadjusted. Incident data from Israel, Jalisco, Japan, Luxembourg, Pakistan, the Philippines, & Taiwan are dialysis only.

2006 ADR - USRDS

Incidence of ESRD (per million population), 2004



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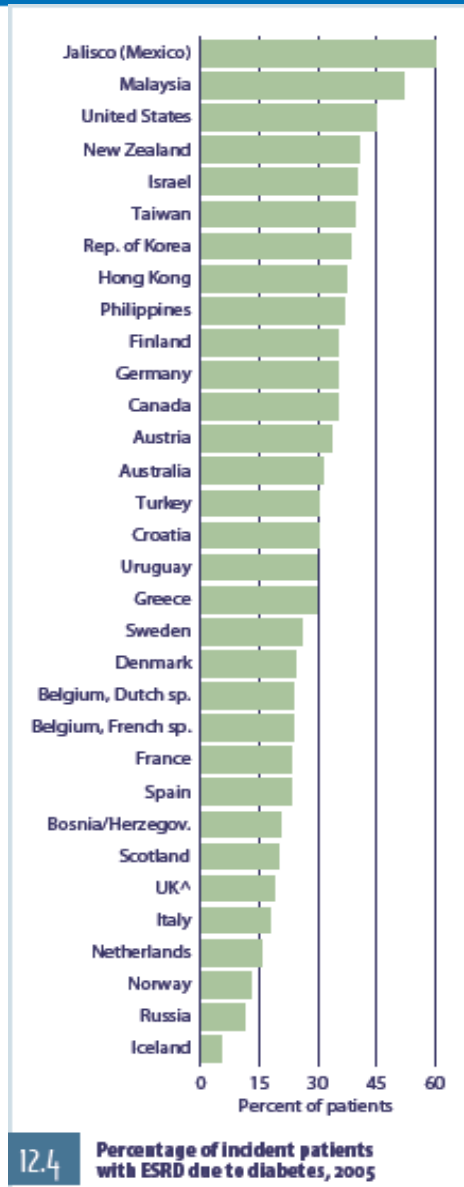
Data presented only for those countries from which relevant information was available. All rates are unadjusted. Incident data from Israel, Jalisco, Japan, Luxembourg, Pakistan, the Philippines, & Taiwan are dialysis only.

2006 ADR - USRDS

Diabetes as Cause of ESRD



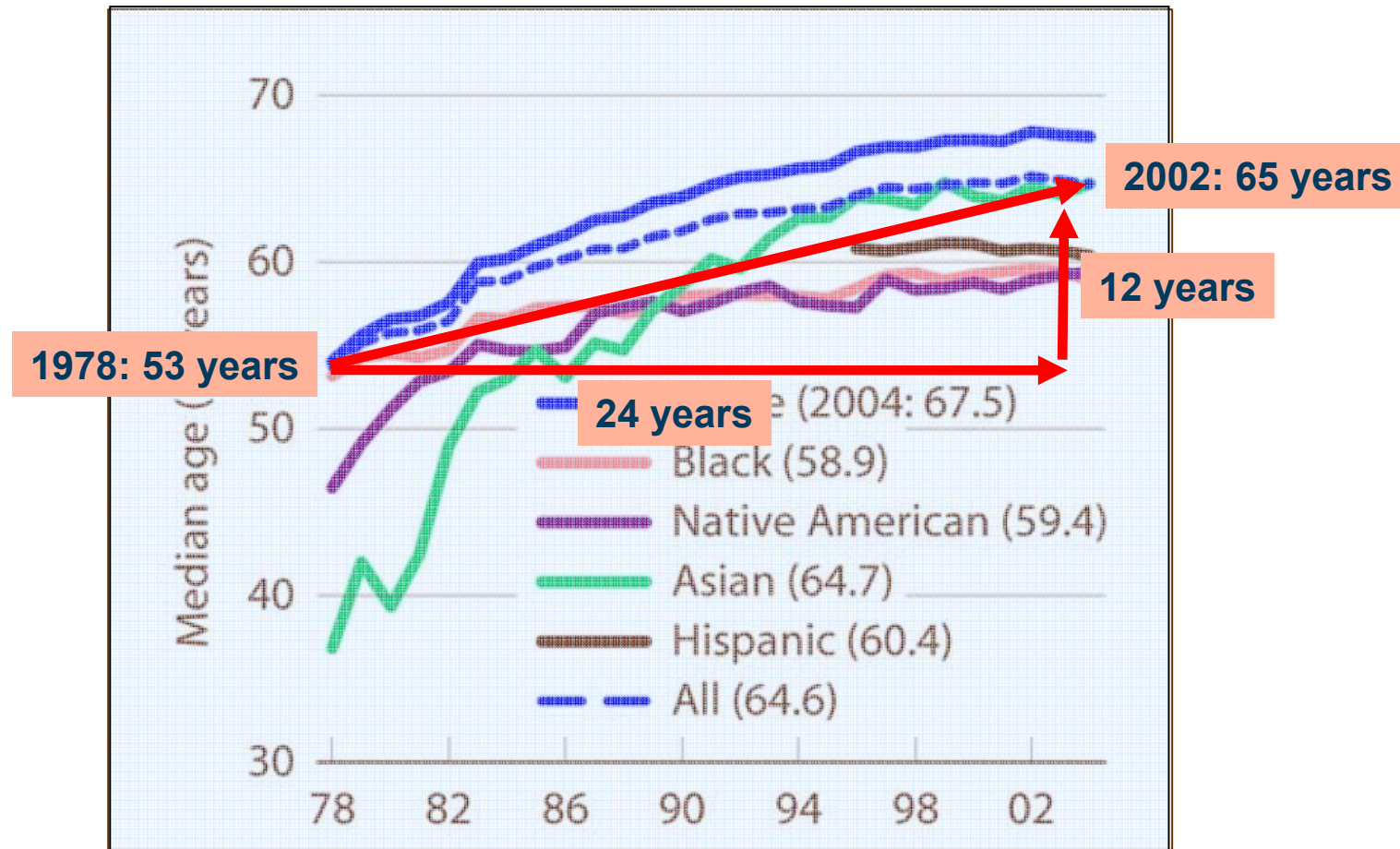
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2007 ADR - USRDS

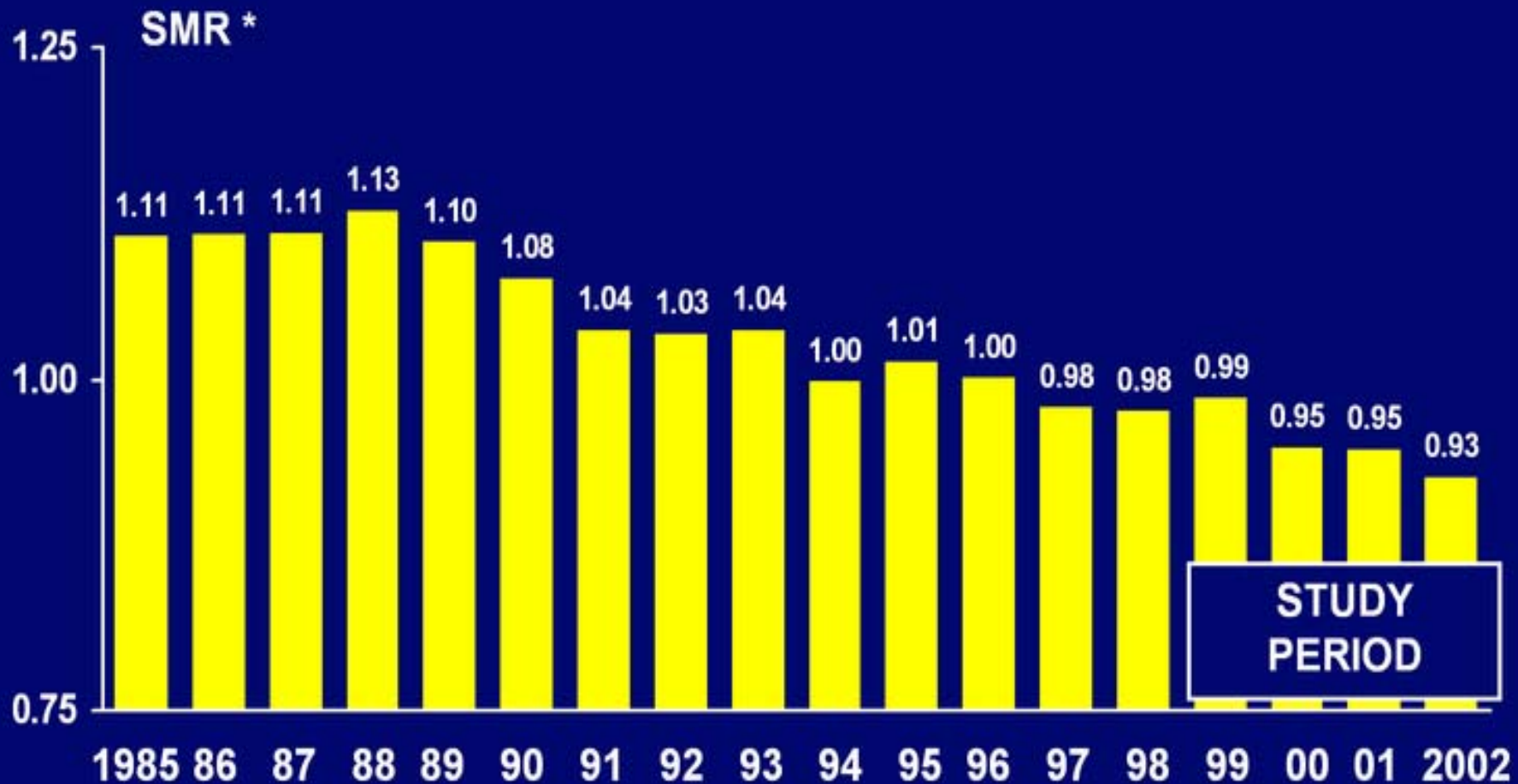
Average Age Increase of US Dialysis Patients

Average Age of Incident US Patients



Every 2 years the age of incident patients increases by 1 year

Trend in Standardized Mortality Ratio * (SMR) for All Dialysis Patients, 1985-2002

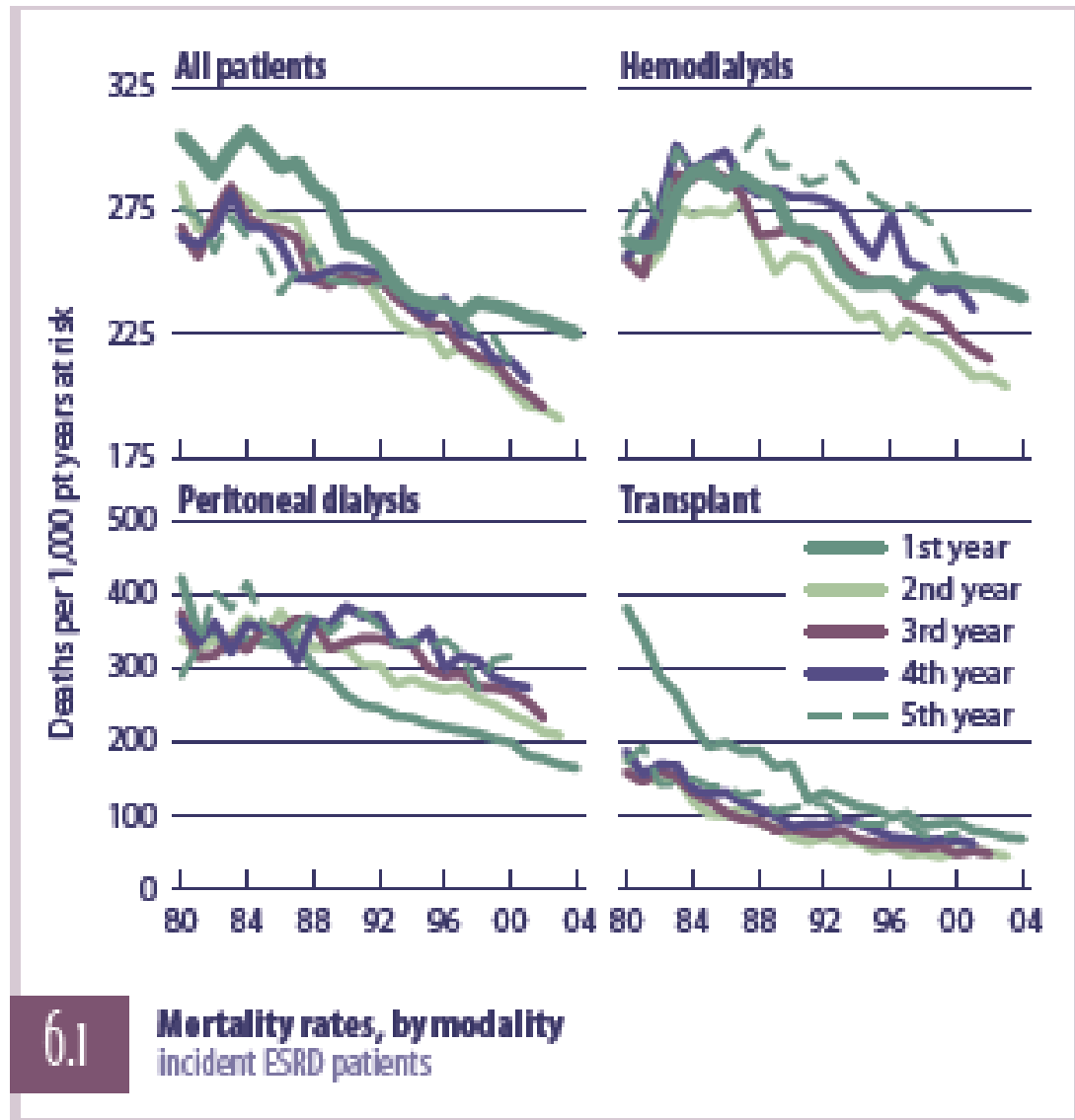


* Adjusted for patient age, sex, race, diabetes as the cause of ESRD, and years on dialysis; reference (SMR=1.00) is average mortality over entire time period

Mortality Rates by Modality for Different Dialysis Vintage



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2007 ADR - USRDS



- Despite increase in age and diabetes of incident patients in the US, mortality for dialysis patients is decreasing, starting in 1984 – 1985
- Exception is mortality for incident patients in the first year (This 1st year mortality does not take into account mortality in the first 90 days of dialysis)
- Pilot program of “RightStart” has shown significant improvement in outcomes in initial 90 day mortality, that extends up to one year after start
- “RightStart” program expanding within Fresenius Medical Care North America

Mortality Difference between U. S. and Europe



- No central mandatory registry in Europe, like USRDS, so comparisons of outcomes are difficult
- After adjusting for age, race, gender, and diagnosis, there are still mortality differences between the US and Europe (lower in Europe). Such differences may be due to:
 1. Prevalence of catheter rates (much lower in Europe).
 2. Generally a higher degree of compliance with treatment.
 3. Availability of nutritional supplements and meals in Europe.
 4. A higher proportion of professional (RN's) staff in Europe.
 5. A less heavy regulatory burden in Europe.
 6. Less patient selection in the US.
 7. A higher CVD burden in the US general population.
 8. Mortality higher in Diabetics, compared to non-diabetics (30% higher). Therefore, prevalence of diabetic ESRD patients influences mortality rates in each country. Prevalence of diabetics in the US is higher than Europe (obesity prevalence).

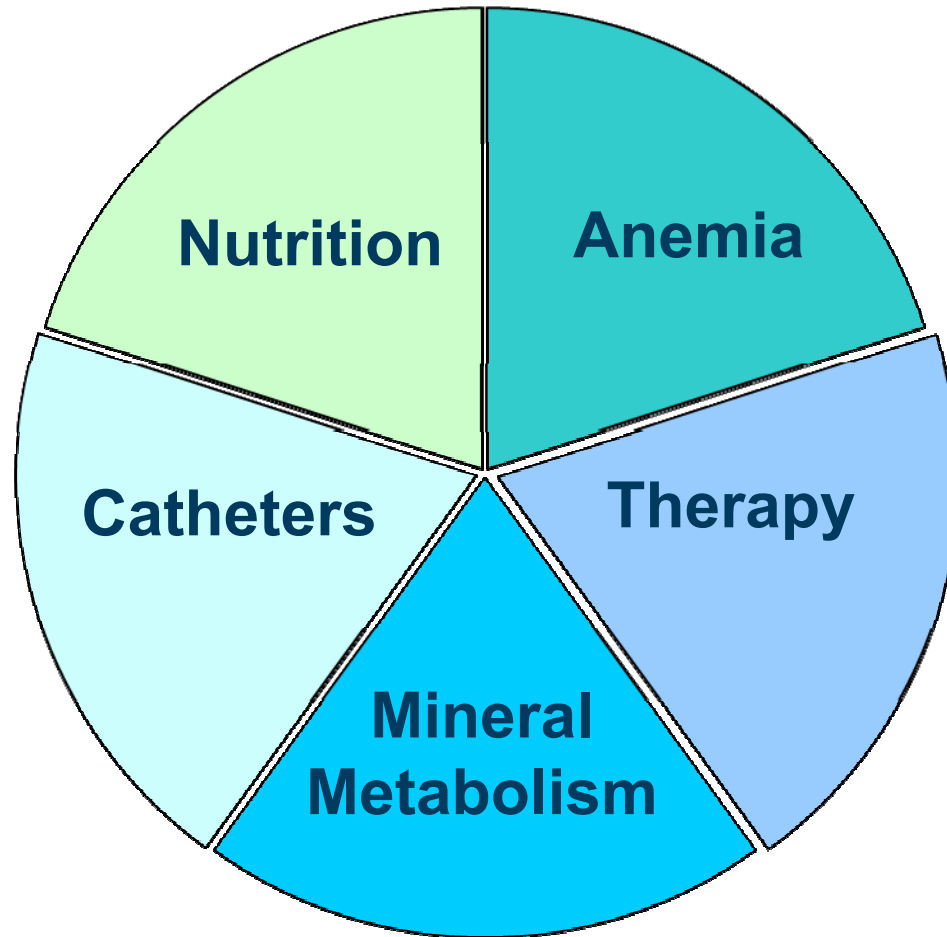
Difference of Clinical Protocols between Europe and U.S.



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- In the U.S. KDOQI guidelines are almost universally accepted as “consensus” recommendations; in Europe, the equivalent is “European Best Practices Guidelines”
- Differences in guidelines and targets are small and may be reduced by efforts to establish Global Best Practices (KDIGO) – Kidney Disease Improving Global Outcomes).
- Differences also reflect reimbursement and economics issues

Areas to Improve Dialysis Outcomes



We will discuss each briefly



Dialysis Therapy

1. Membrane

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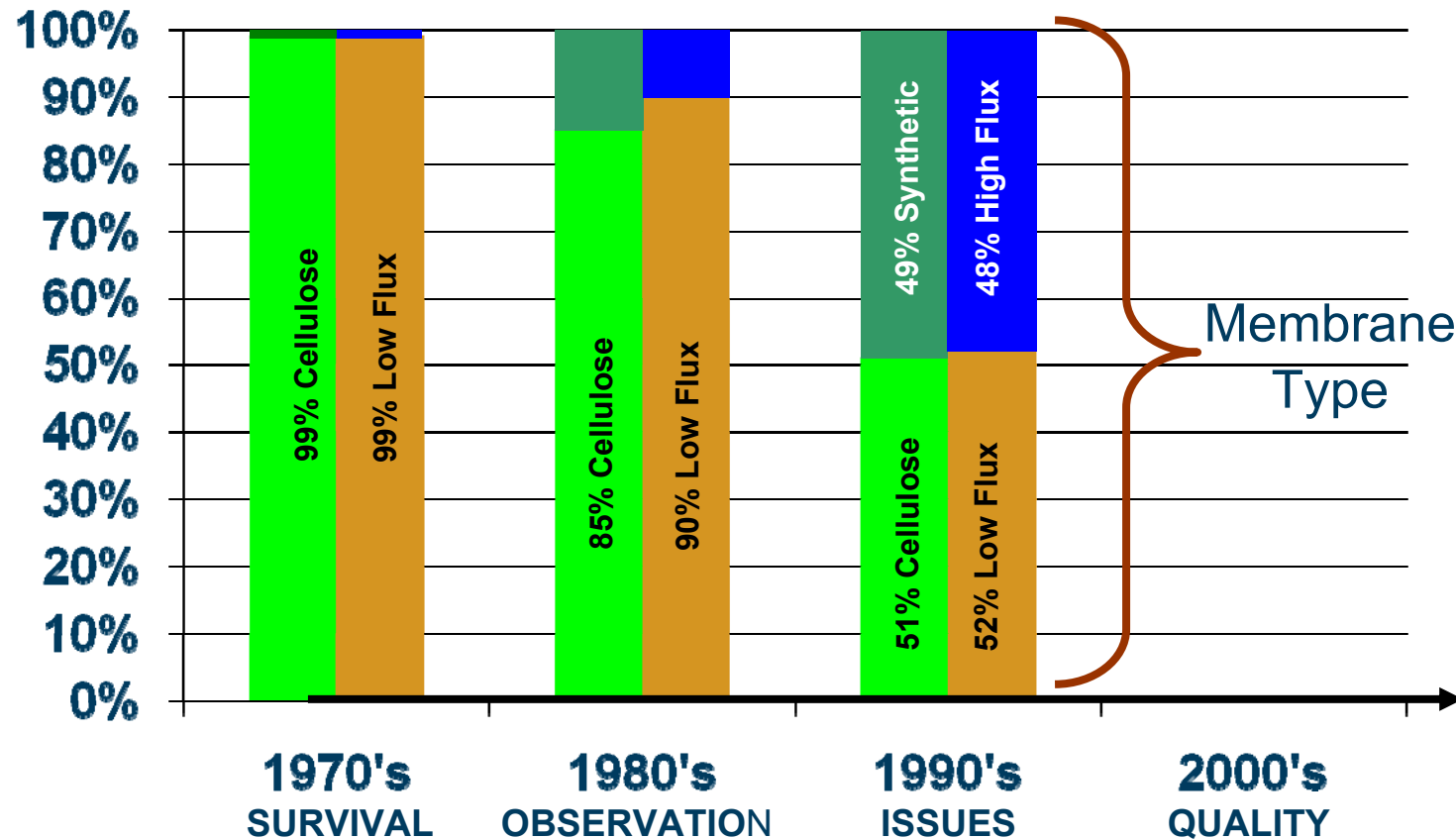


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Trends in Dialyzer Membrane



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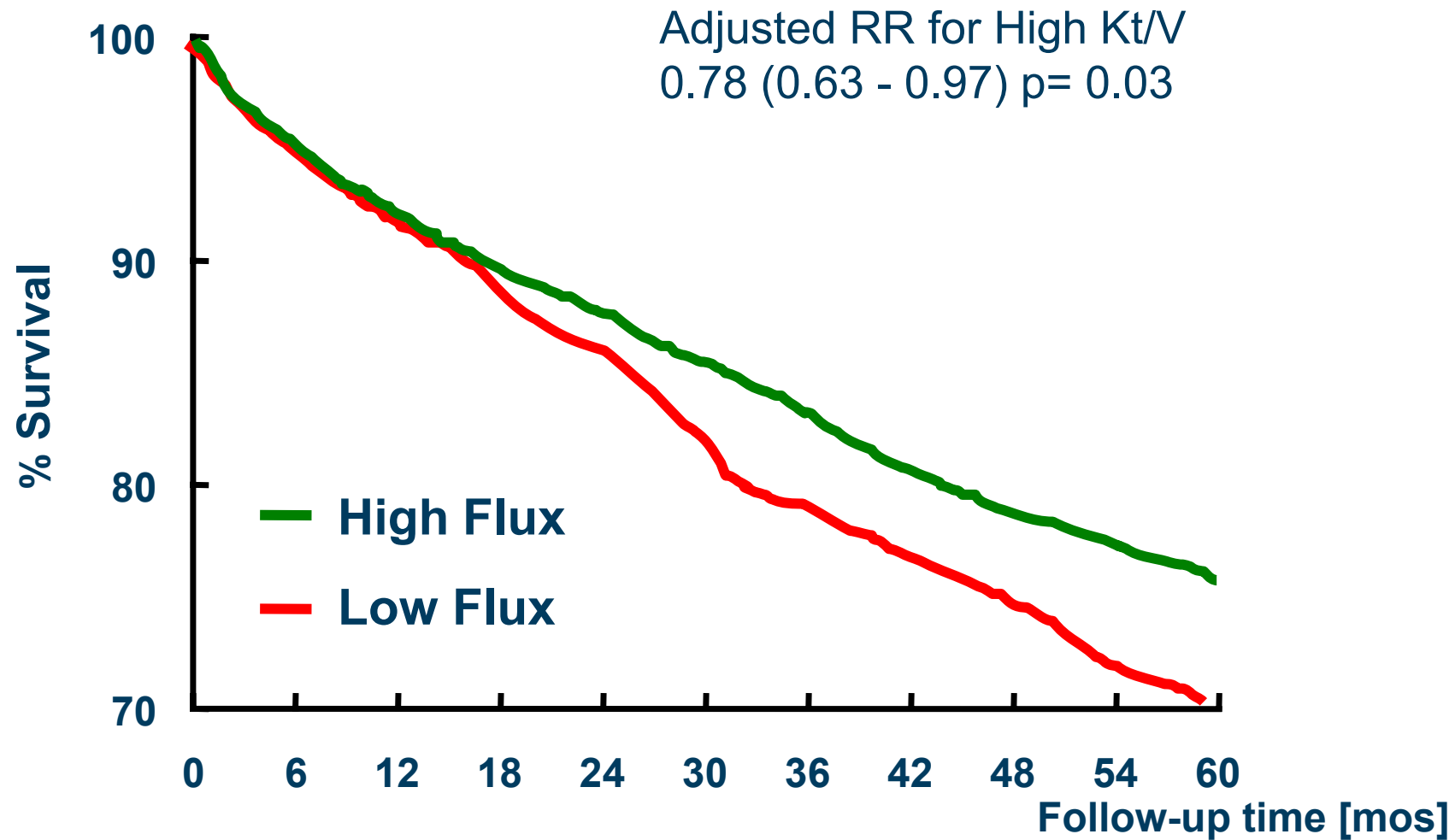


Technology – Four Decades of Development

HEMO-Study: Cardiac Death and Flux



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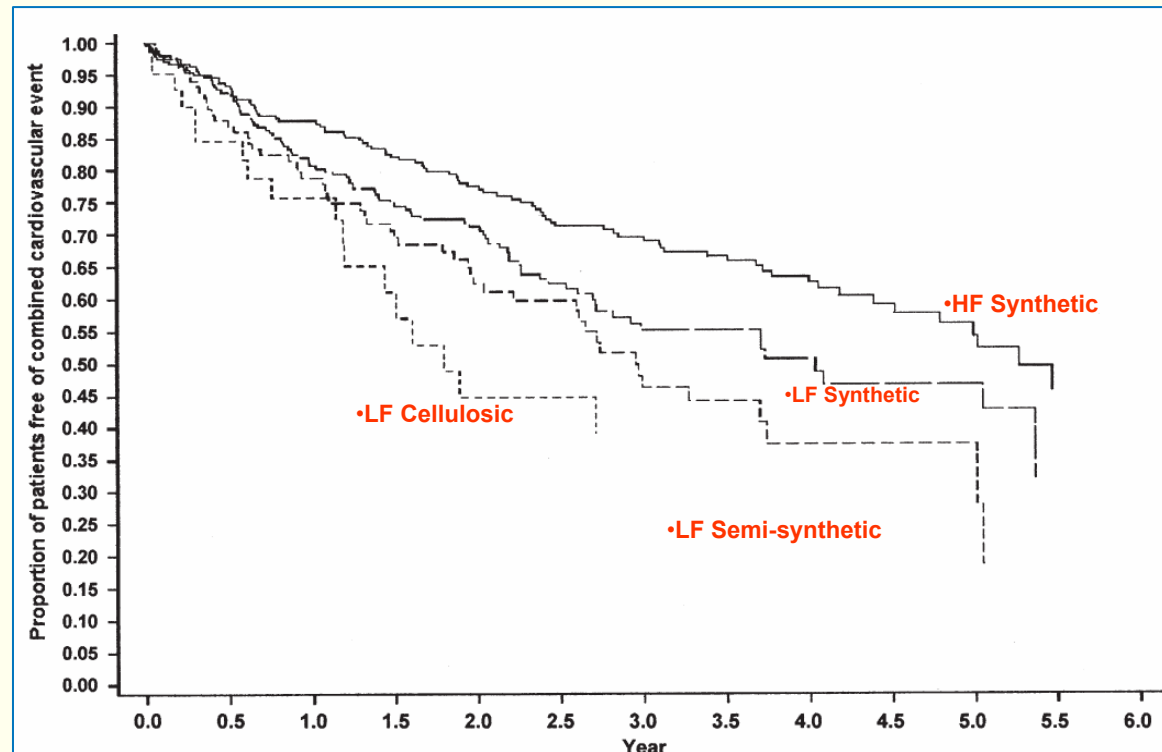


A. K. Cheung, *J Am Soc Nephrol* 14: 3251-63, 2003

1 A. Studies Showing Less Mortality with High-Flux Membranes:



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• **Krane V, et al.**

Dialyser membrane characteristics and outcome of patients with type 2 diabetes on maintenance haemodialysis..

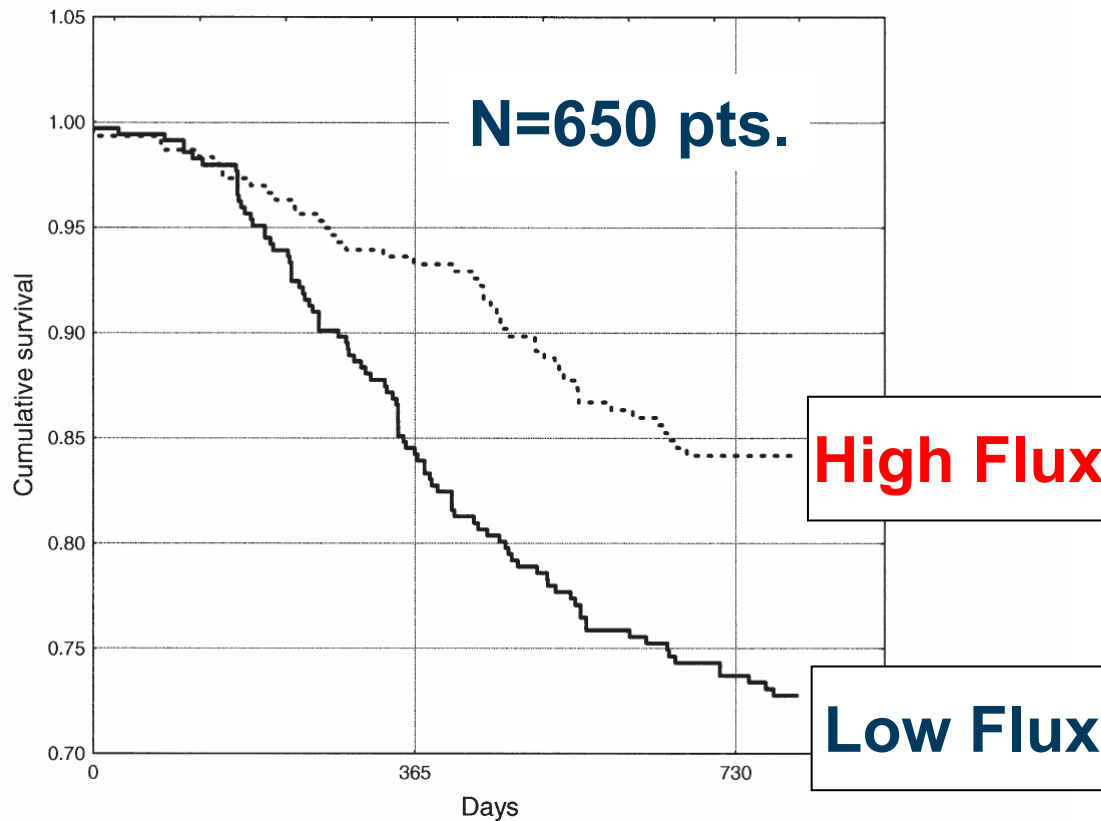
Am J Kidney Dis. 2005;45(3):565-571.

Dialyzer Membrane Permeability and Survival in Hemodialysis Patients



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Philippe Chauveau, MD, Hiep Nguyen, MD, Christian Combe, MD, PhD,
Geneviève Chêne, MD, PhD, Raymond Azar, MD, Noël Cano, MD, Bernard Canaud, MD,
Denis Fouque, MD, PhD, Maurice Laville, MD, Xavier Lerverve, MD, PhD, Hubert Roth, Eng,
Michel Aparicio, MD, and the French Study Group for Nutrition in Dialysis



Am J Kidney Dis 45:565-571

**High-Flux:
Risk of Death
reduced by
38 %**



Dialysis Therapy

2. Technology

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Uraemic Solutes Retained in Renal Failure

“Uraemic ‘Toxins’”



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From: Vanholder et al, EUTox Work Group, Kid Int, Vol 63; 1934-1943 (2003)

Low-MW molecules (< 500 D)

- Water-soluble (non-protein-bound):

e.g. urea (**60 D**), creatinine (**113 D**),

guanidines, oxalate, uric acid,

- Protein-bound:

e.g. p-cresol (**108 D**), indoxyl sulfate (**251 D**),

phenol, indoles, hippuric acid, homocysteine

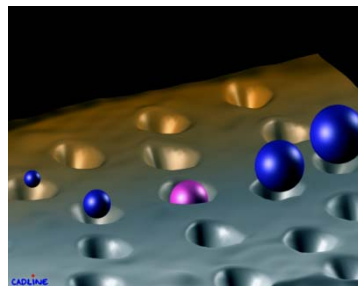
Middle- Molecules (500 - 12 000 D)

e.g. parathyroid hormone (**9 223 D**), peptide-

linked AGEs, β_2 -microglobulin (**11 800 D**)

High-MW solutes (> 12 000 D)

e.g. leptin (**16 kD**), complement factor D (**24 kD**)



Current Dialysis Therapies



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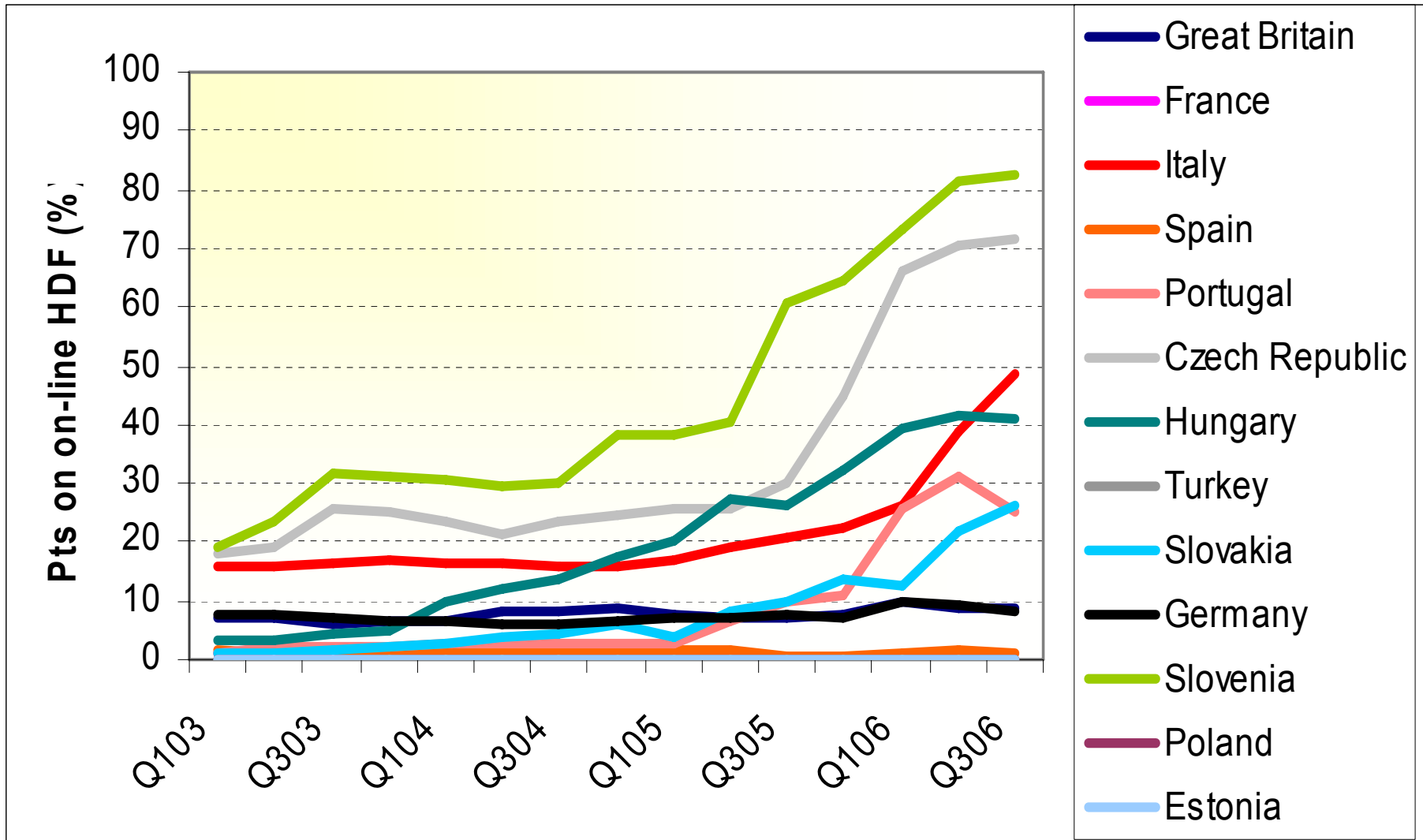
In Clinic:

	USA	Europe	Asia Pacific
• Thrice Weekly			
• Low Flux – High Efficiency	7%	63%	18%
• High Flux	93%	30%	78%
• On-line Hemodiafiltration	0%	7%	4%

Home:

• Daily Hemo Dialysis	4%	~0	~0
• Thrice Weekly	6%	6%	3%
• Peritoneal Dialysis	90%	94%	97%
• CAPD (% of PD)	35%	68%	85%
• APD (% of PD)	65%	32%	15%

KPI #2: Convective Treatment in FME Clinics (Euclid Database)





Dialysis Therapy

3. Mineral Metabolism

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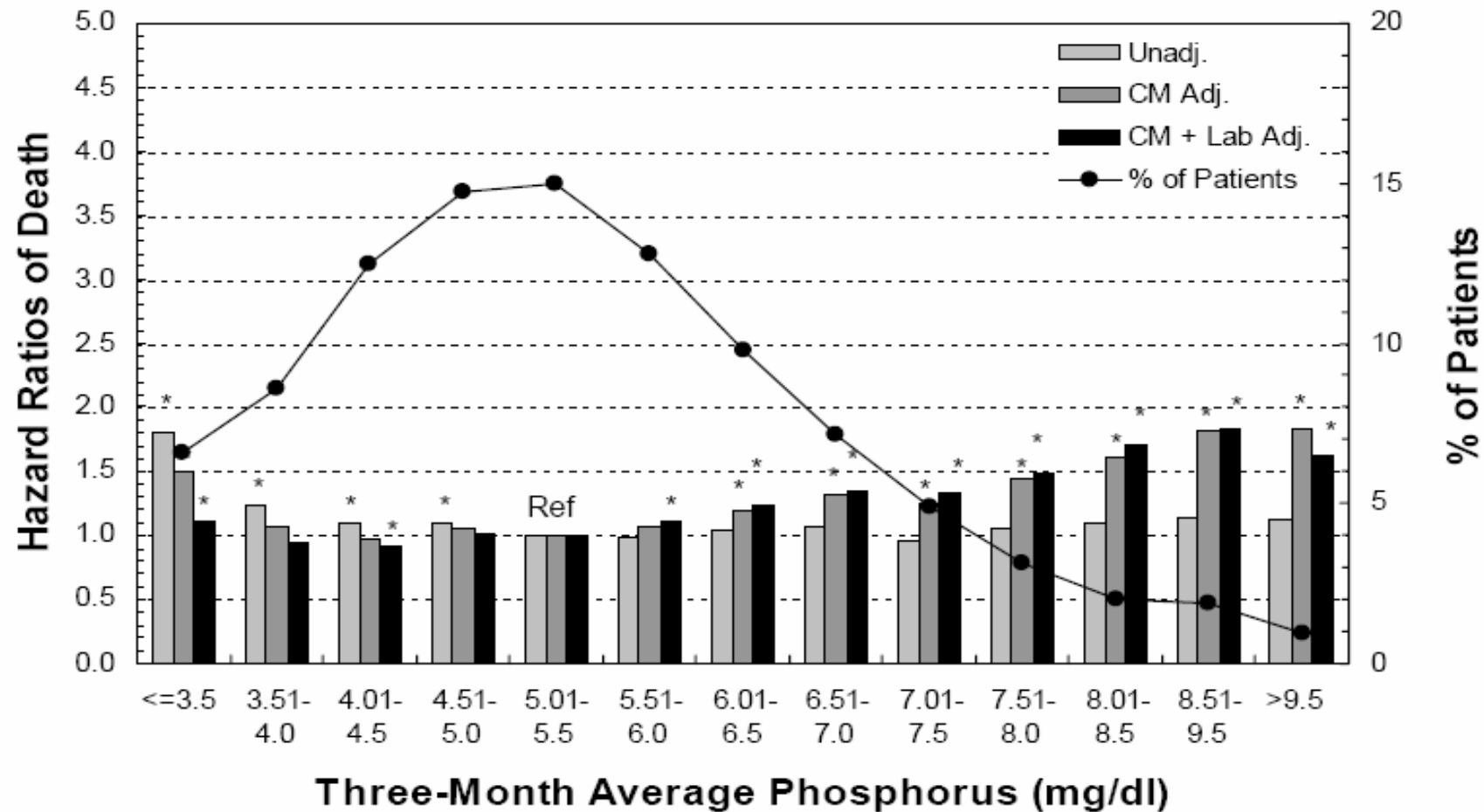


- **IT'S THE PHOSPHORUS**
- Phosphorus control to KDOQI target remains poor.
- Phos-Lo most effective therapy for Phosphorus and PTH.
- Therapy with Phos-Lo impacts serum calcium level minimally
- Increasing use of Cinacalcet to control PTH favors the use of Phos-Lo, because of hypo-calcaemic effects of Cinacalcet (from reduced calcium absorption).
- Total calcium intake can be adjusted best with changes in dialysate calcium levels.

Relative Risk of Mortality: Phosphorus



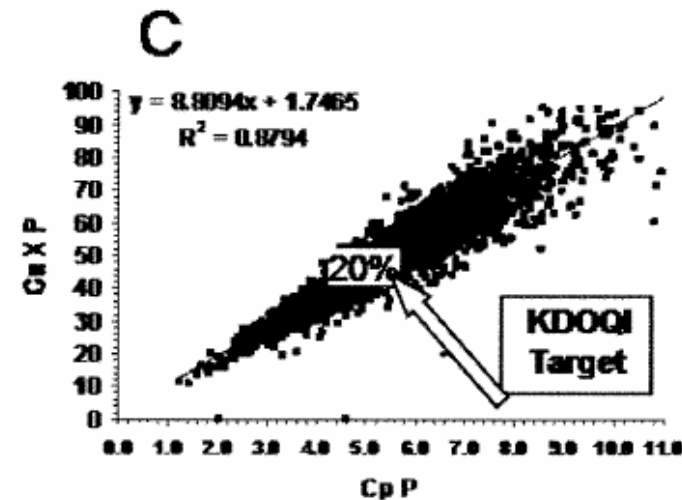
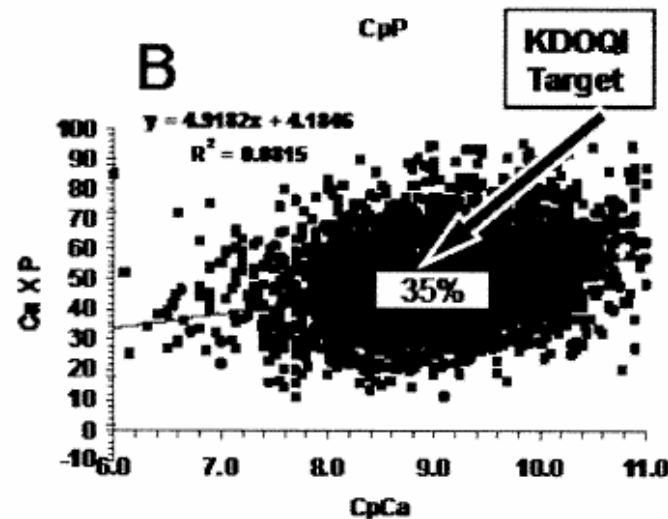
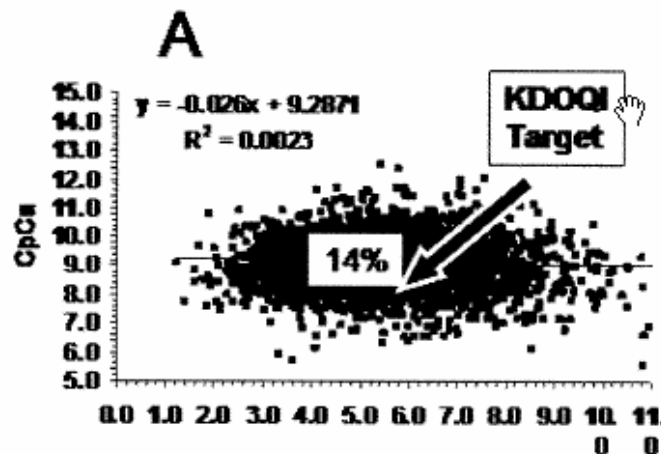
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Calcium and Phosphorus Control and KDOQI Target



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The Ca and P are unrelated; the Ca and CaXP are unrelated; the CaXP product is virtually entirely a function of plasma P and adds very little to measurement of P alone. Tiny fractions of the total population satisfy the KDOQI standards for any 2 of the variables.

Plasma Calcium Level and Phos-Lo Intake



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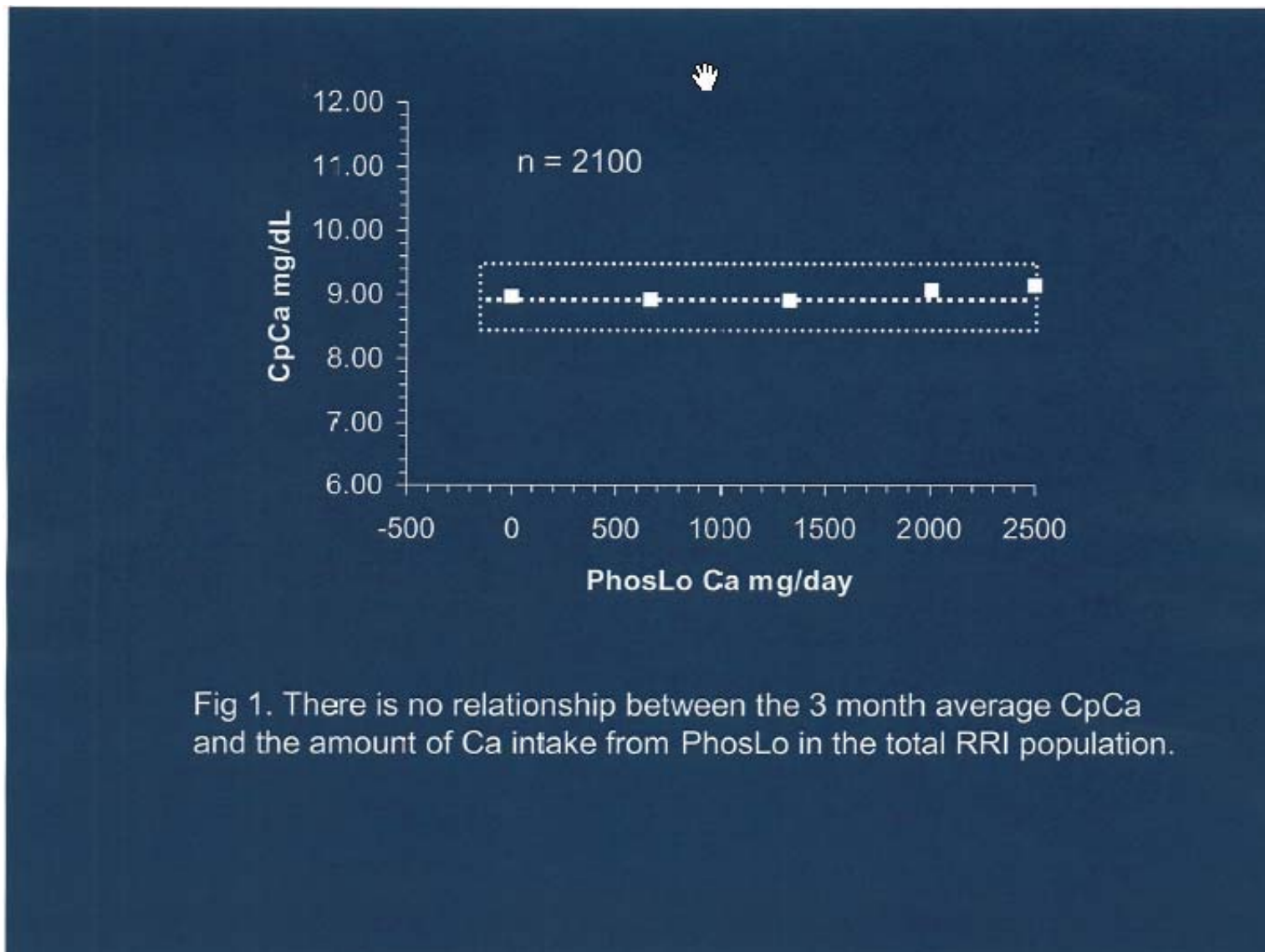
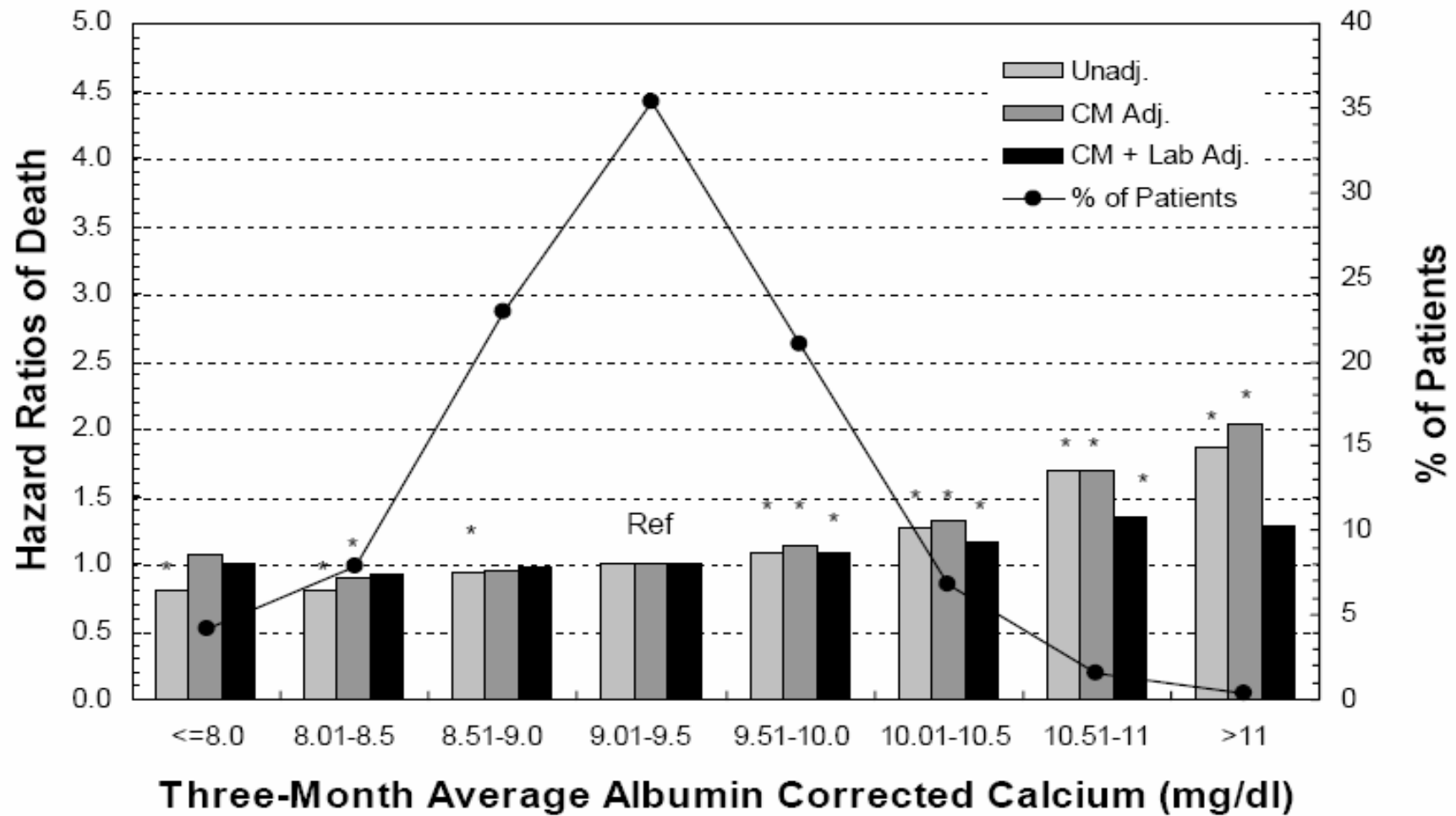


Fig 1. There is no relationship between the 3 month average CpCa and the amount of Ca intake from PhosLo in the total RRI population.

Relative Risk of Mortality: Albumin-Corrected Calcium



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Impact of Dialysate Calcium on Plasma Calcium

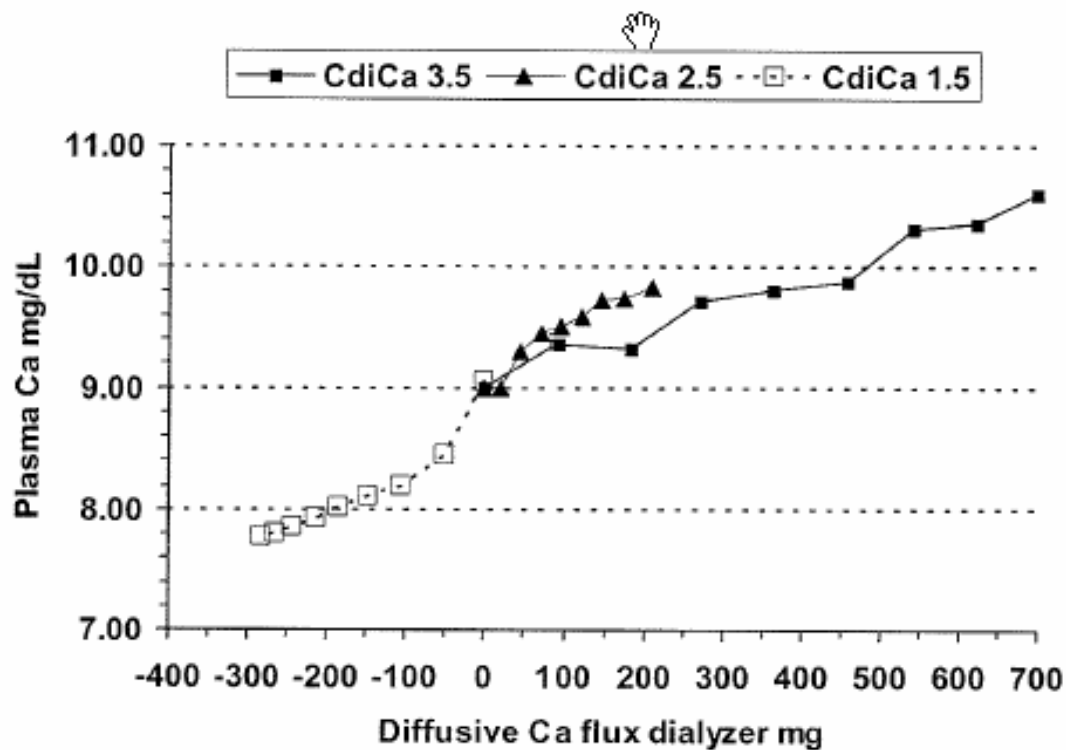
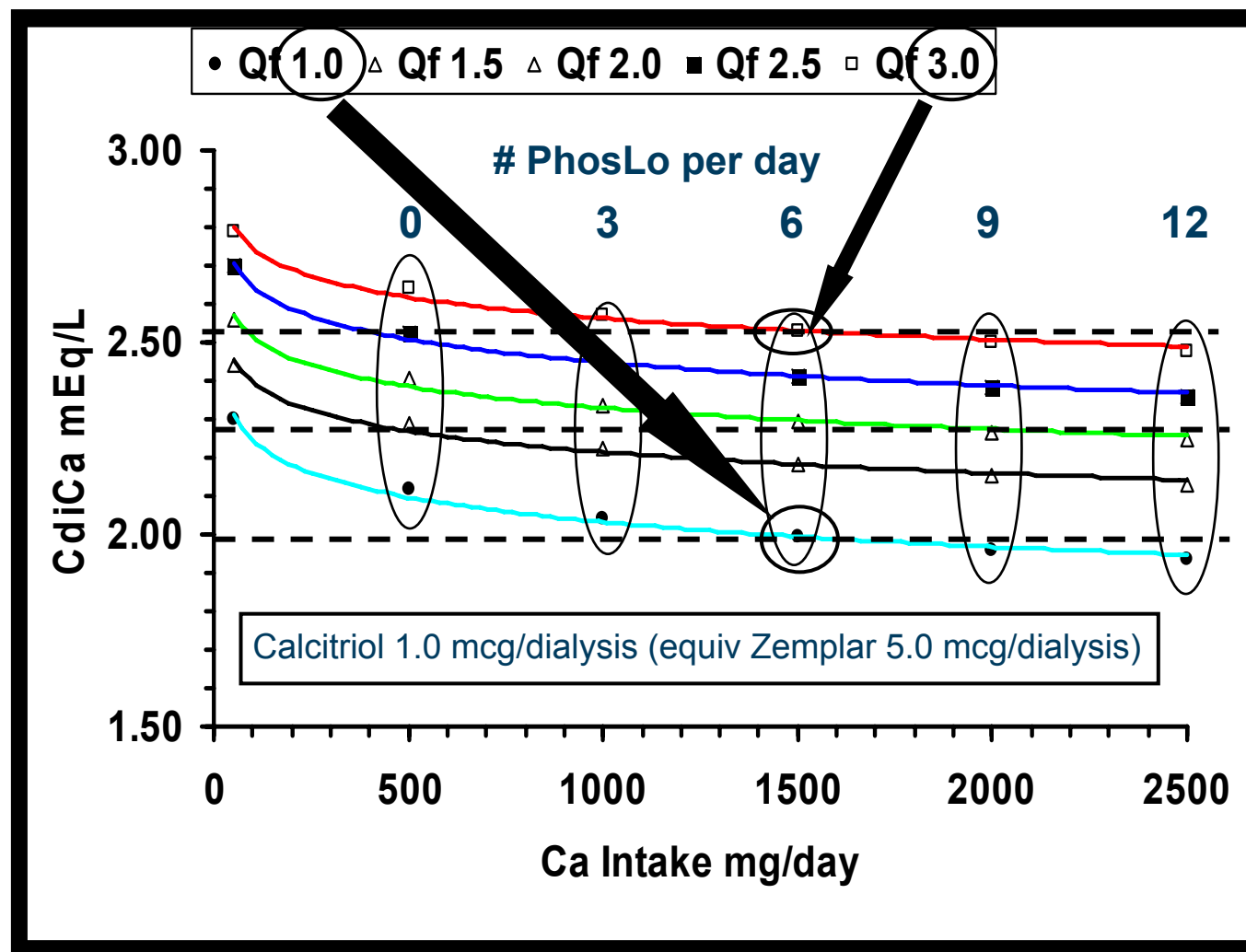


Fig 2. The change in plasma total calcium concentration as a function of diffusive Ca flux across the dialyzer calculated from Hou data. The serial changes observed during dialyses with CdiCa 1.5, 2.5 and 3.5 mEq/L are plotted as a function of calculated diffusive Ca mass balance.





Dialysis Therapy

4. Anemia Management

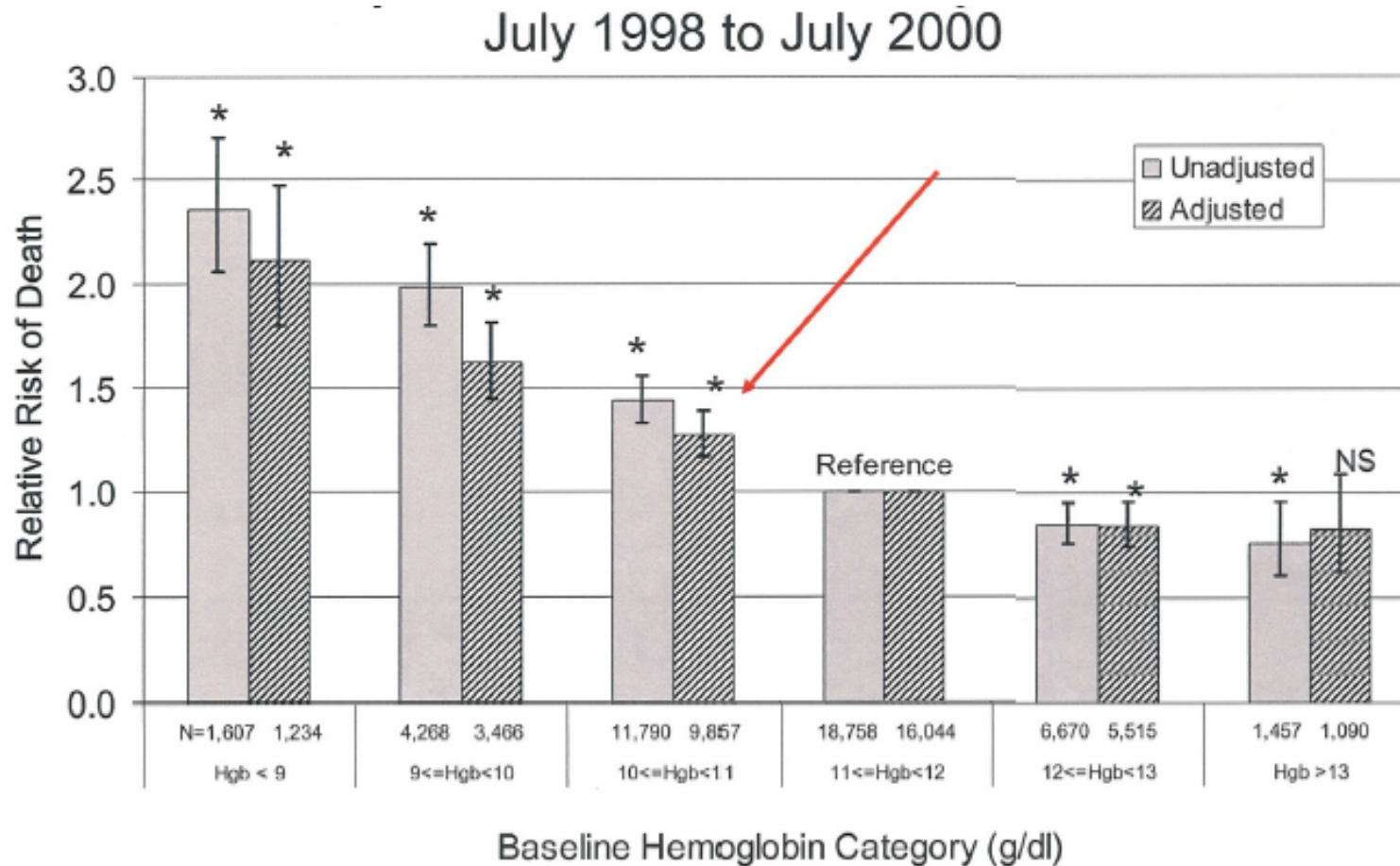
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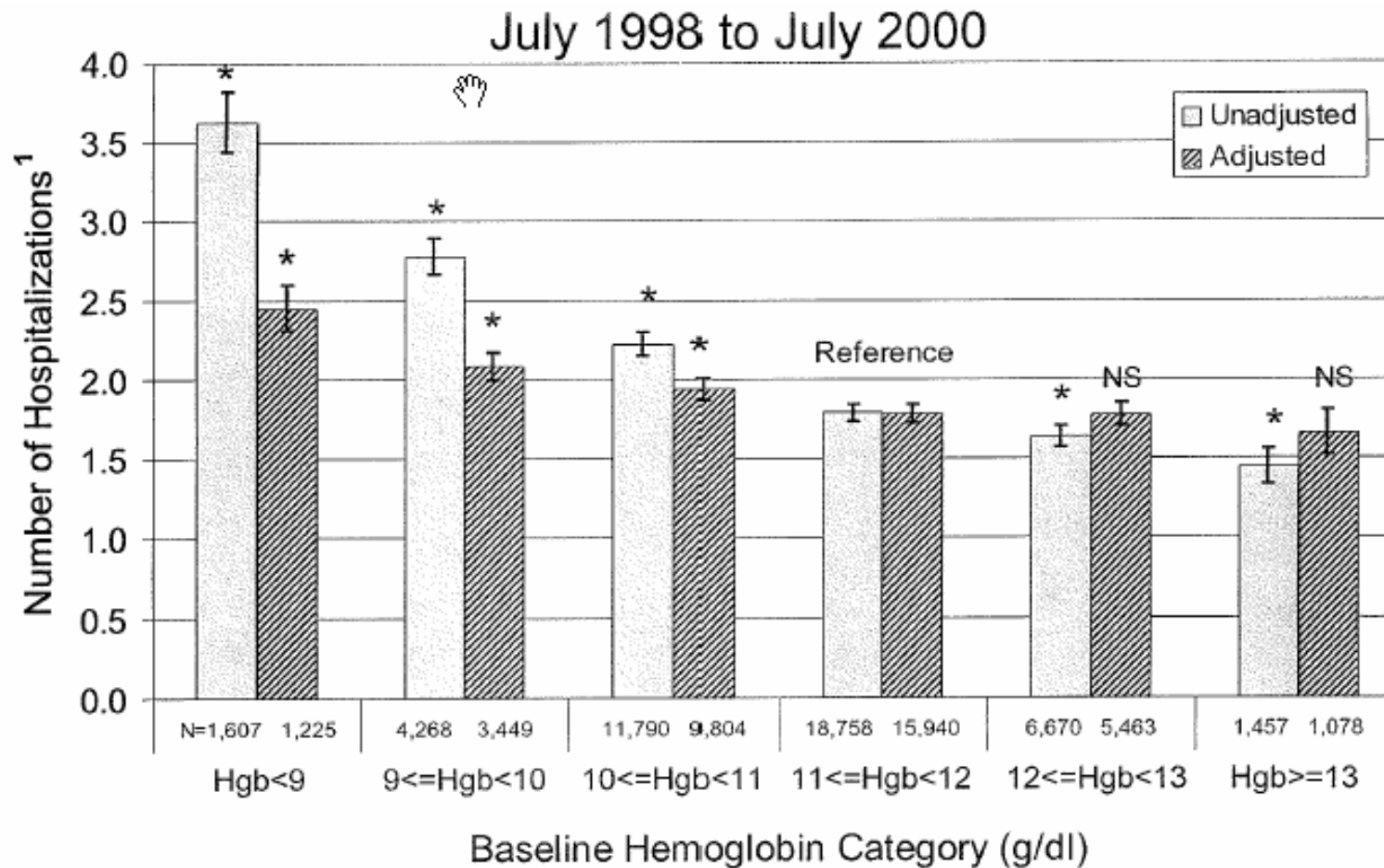
The Effects of Higher Hemoglobin levels on Mortality and Hospitalization in Hemodialysis Patients



* statistically significant difference from reference; 95% confidence intervals shown

*Ofsthun et al KI 63:1908-1914, 2003

Anemia Management: Data on Number of Hospitalizations



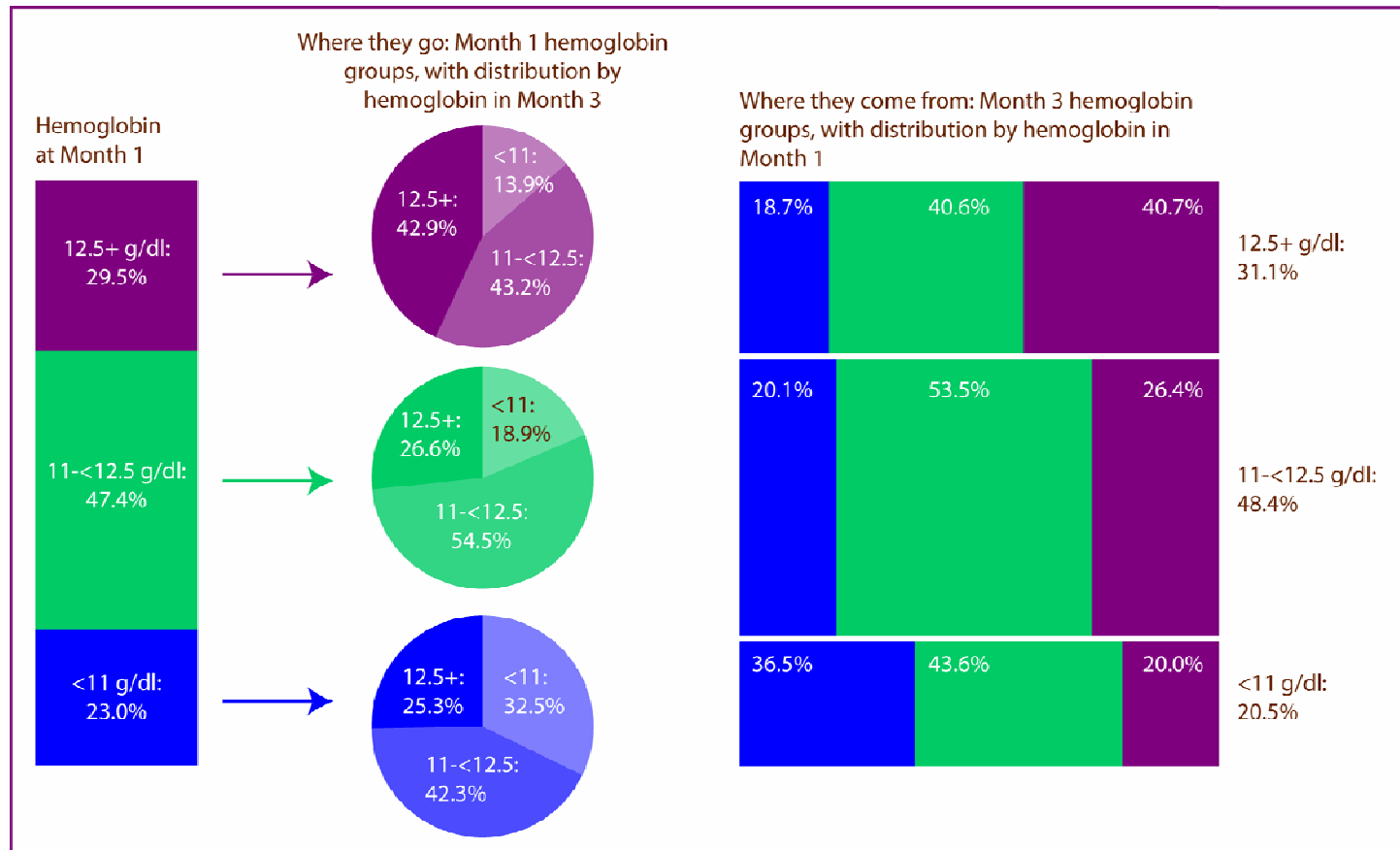
* statistically significant difference from reference; 95% confidence intervals shown

¹ Reported per six months of follow-up by dividing the raw number by the fraction of the 6 months follow-up period during which the patient was observed.

Variability of monthly hemoglobin



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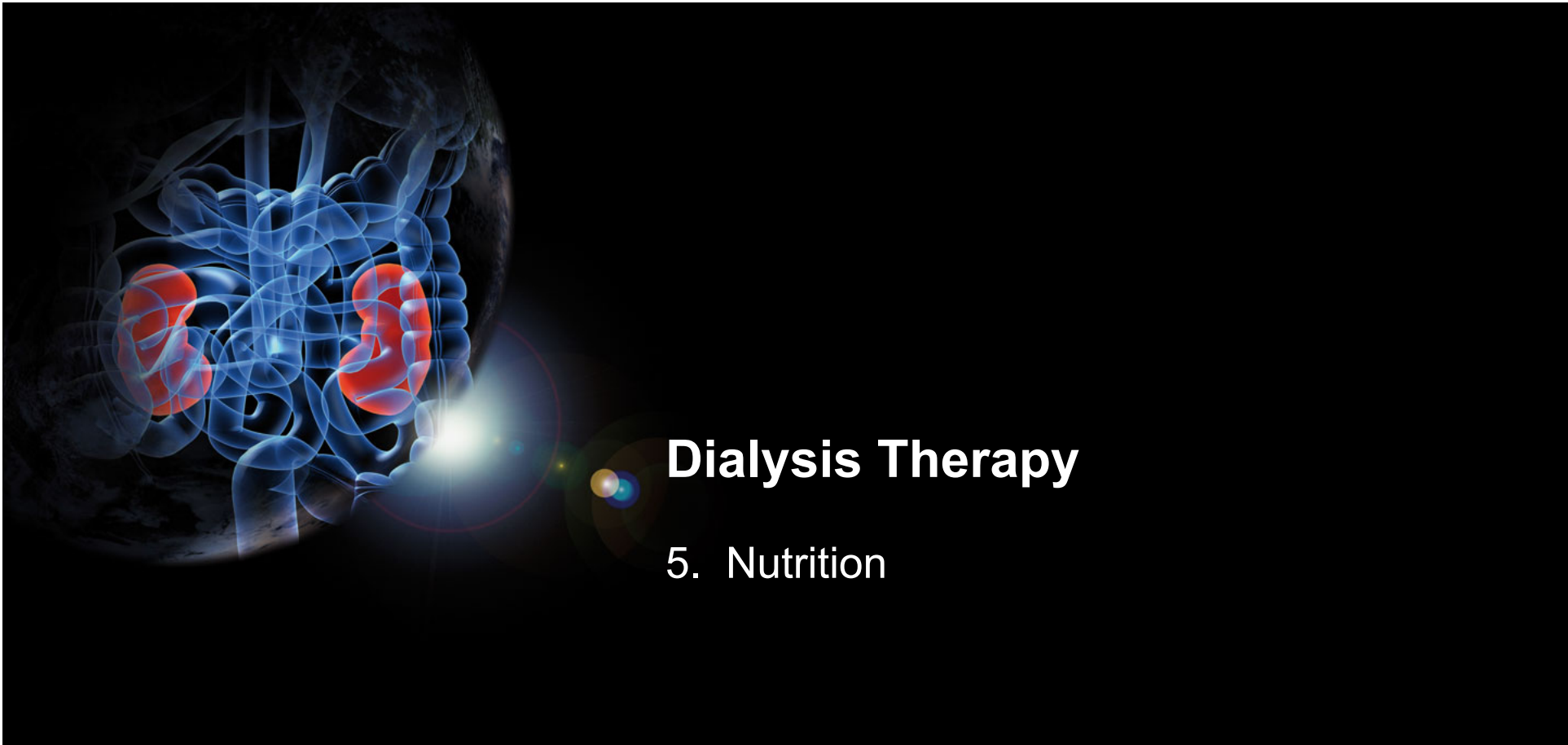


Medicare EPO-treated dialysis patients point prevalent on January 1, 2004, & with Medicare as primary payor; included patients survive the first three months of 2004 & have EPO claims in each of the three months.

Figure 5.41



- Data from FMC-NA and other (Amgen, DaVita, RPA) presented at FDA-Advisory Panel on September 11, 2007.
- Data instrumental in vote of panel to:
 - Oppose lowering upper range of hemoglobin target below 12.0 g/dl.
 - Oppose FDA's recommended upper target of 11.0 g/dl.
- FDA not required to follow advisory panel recommendation (but it typically does).
- FDA will finalize changes to package insert in “weeks, not months”.



Dialysis Therapy

5. Nutrition

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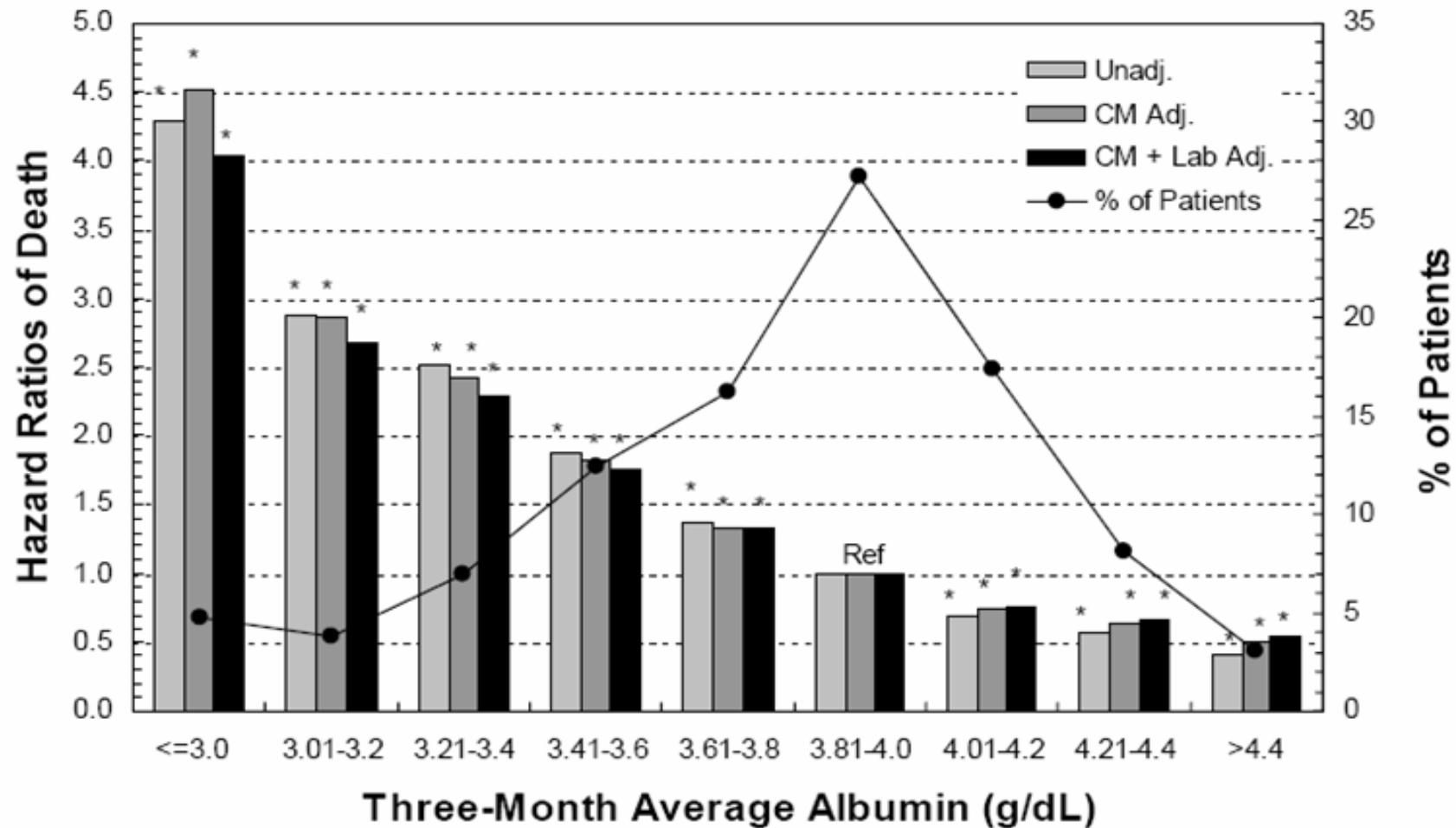


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Relative Risk of Mortality: Albumin



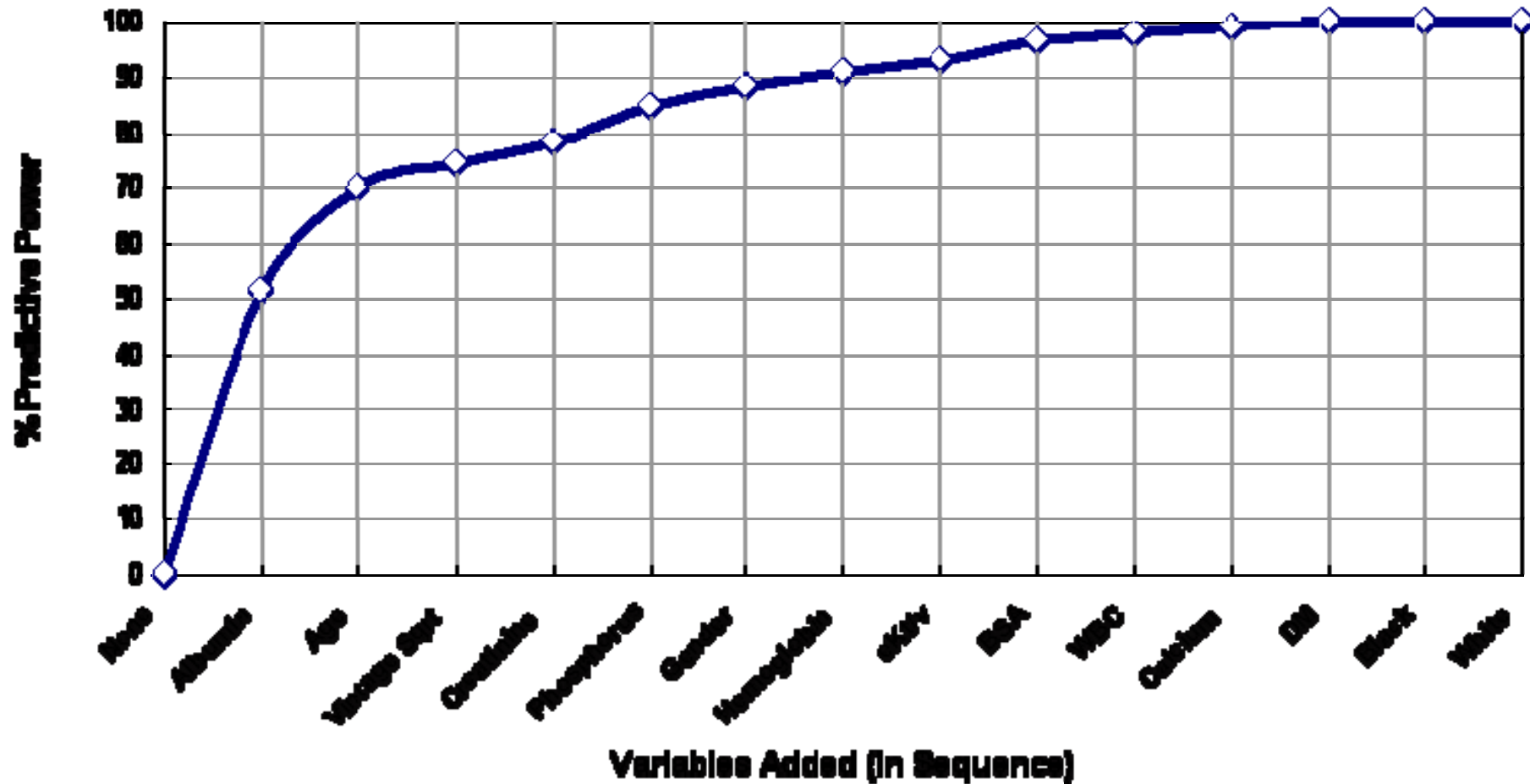
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Contribution of Variables to Predictive Power of the Final Cox Model for Mortality Risk in 2004



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Dialysis Therapy

6. Access

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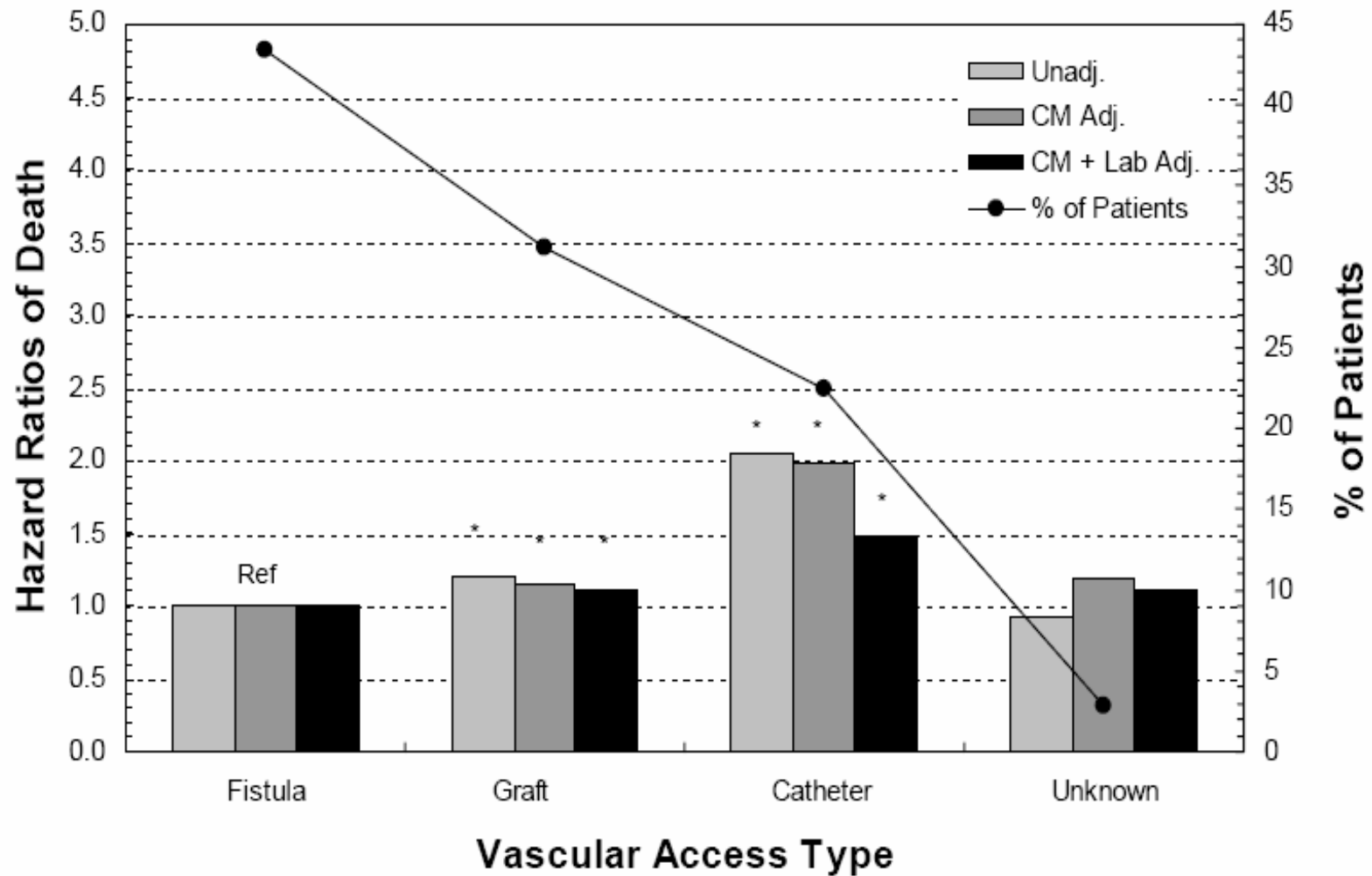


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Relative Risk of Mortality: Vascular Access



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Conclusions

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Improving Haemodialysis' Patient Survival and Patient Growth



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A. Near Term

1. High flux Biocompatible dialysis and on-line haemodiafiltration
2. Improved Phosphorus Control
3. Improving nutritional parameters
4. Reduction of catheters and increasing fistulae rate

B. Long Term

1. Wearable artificial kidney
2. Anti-oxidant therapy to lower cardiovascular risk



Increase preference by nephrologists to have their patients treated in FMS dialysis units by:

1. Developing partnership with physicians
2. UltraCare as a standard of care in FMC-NA facilities
3. Active engagement with academic training center
4. Treatment Options Education
5. Advisory Boards (Medical, Nursing, and Dietitians)
6. RightStart Program
7. Clinical Research Initiatives



The End

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Shaping the Future of the Dialysis Industry Payment Structure

Implications for Integrated Disease Management and Bundled Payment Approach

Robert Farrell

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1. Cost of Care for ESRD Patients

2. Statistics

3. Renal Disease Management: Demo Project US

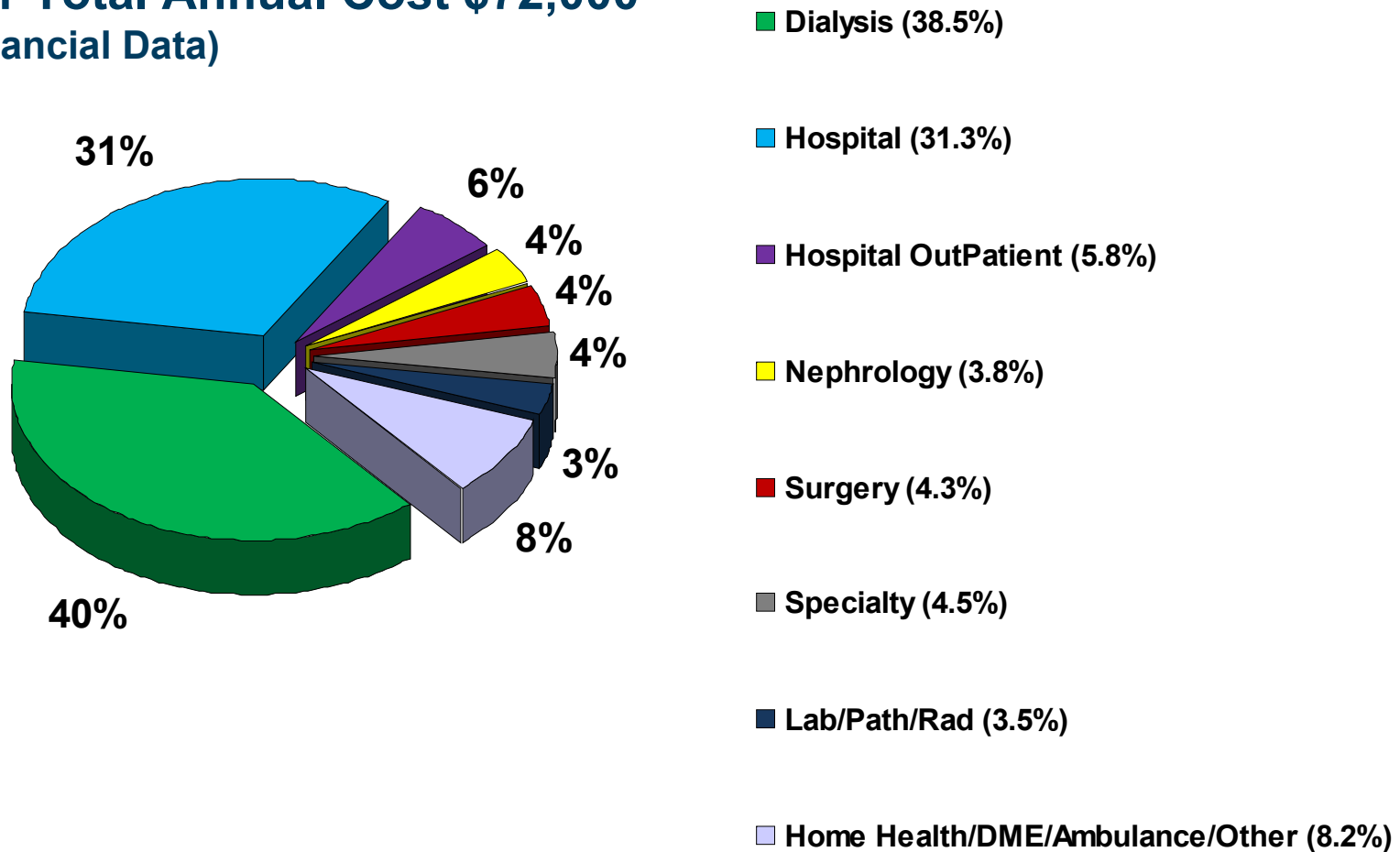
4. Renal Disease Management: Demo Project UK

5. Conclusion

Cost of Care for ESRD Patients



ESRD Demo Project – Member Total Annual Cost \$72,000 (2006 Financial Data)





1. Cost of Care for ESRD Patients

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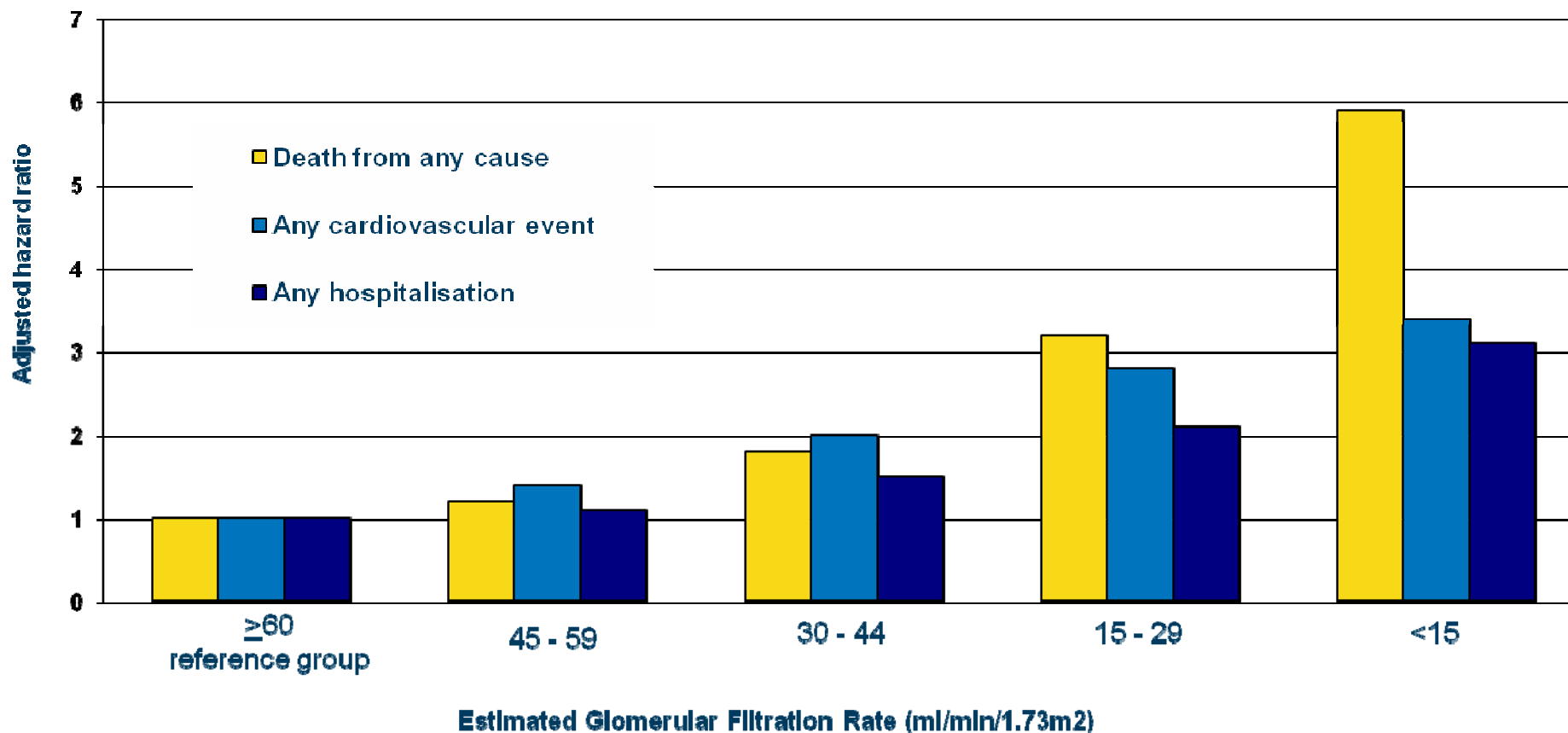
4. Renal Disease Management: Demo Project UK

5. Conclusion

Statistics: Adjusted Hazard Ratio of Death, Cardiovascular Event and Hospitalization among 1,120,295 Kaiser Permanente members according to estimated GFR*



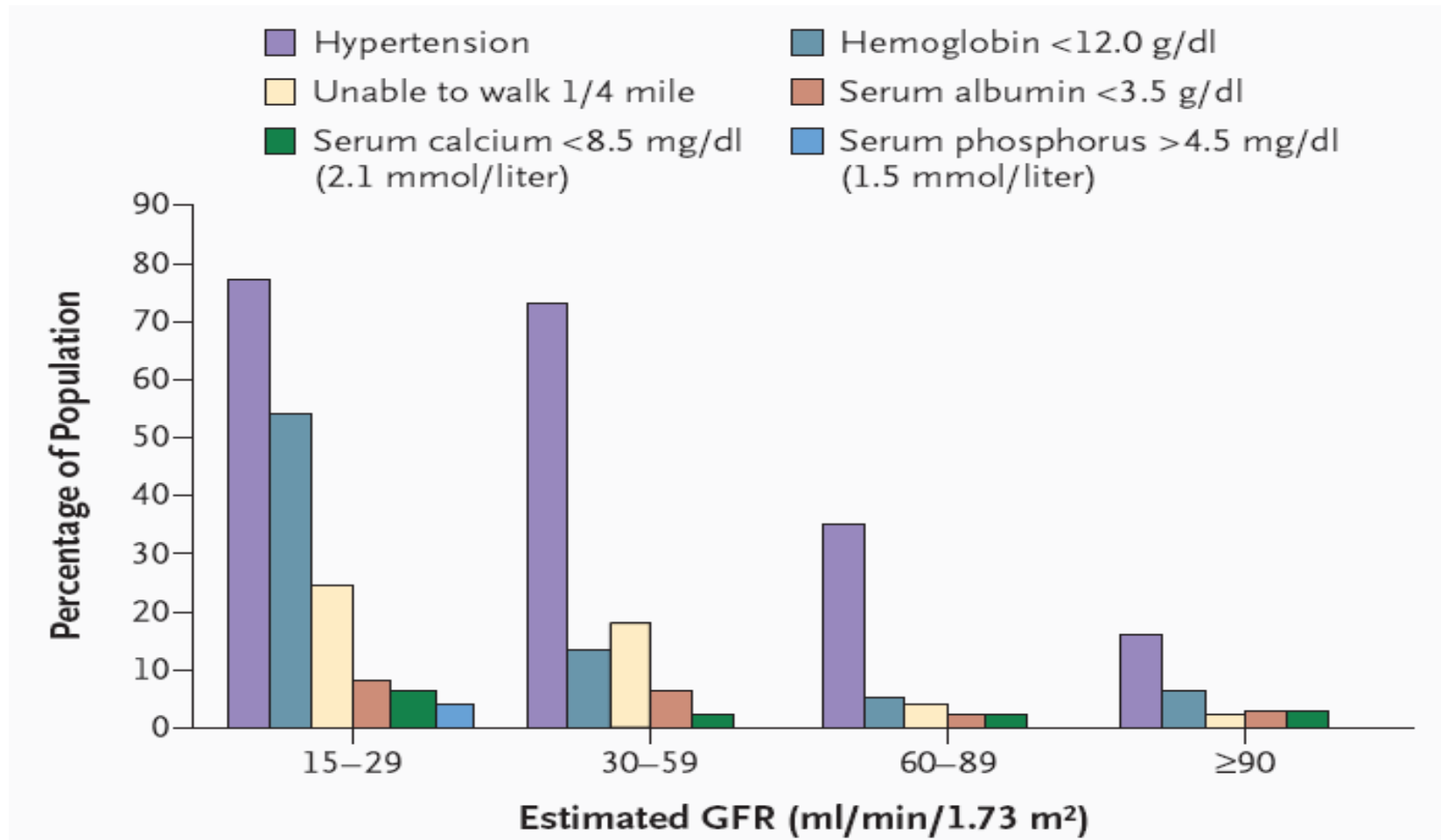
Risk of Mortality and Hospitalization Increasing with Reduced Kidney Function



*Adjusted for age, sex, income, education, dialysis, prior CHD, CHF, stroke, TIA, PVD, DM, HT, dyslipidaemia, cancer, albumin <35, dementia, chronic liver disease, chronic lung disease, proteinuria, prior hospitalisations, published in New England Journal, 2004

Statistics: Estimated Prevalence of Complications Related to CKD

According to the Estimated GFR in the General Population



Stevens et al. *N Engl J Med* 2006



- **The majority of patients with CKD 3-4 will die of cardiovascular disease before they get to dialysis**
- **About 10% of patients with CKD progress to ESRD**
- **30-50% of patients start dialysis with < 3 months nephrology care. They have:**
 - Higher morbidity and mortality
 - Higher hospitalization rates



- **High co-morbidity in ESRD population**
 - Cardiovascular disease
 - Diabetes
 - Vascular access complications
 - Inflammation / Infection
 - Malnutrition
- **Case management approach needed, but fragmented reimbursement system at odds**



1. Cost of Care for ESRD Patients

2. Statistics

3. Renal Disease Management: Demo Project US

4. Renal Disease Management: Demo Project UK

5. Conclusion

- Four year project (2006 through 2009)
- Operated as a Medicare Advantage Health Plan
- Objective is to improve ESRD patient outcomes and reduce total patient care costs to Medicare
- Risk adjusted payment system (per co-morbidities)
- Fresenius Medical Care Health Plan (FMCHP) utilized a hybrid private fee for service Medicare Advanced Plan Model
- Plan did not include Part D Benefit (Patients enrolled in stand-alone Prescription Drug Plan [Part D])

Additional to Medicare Fee for Service

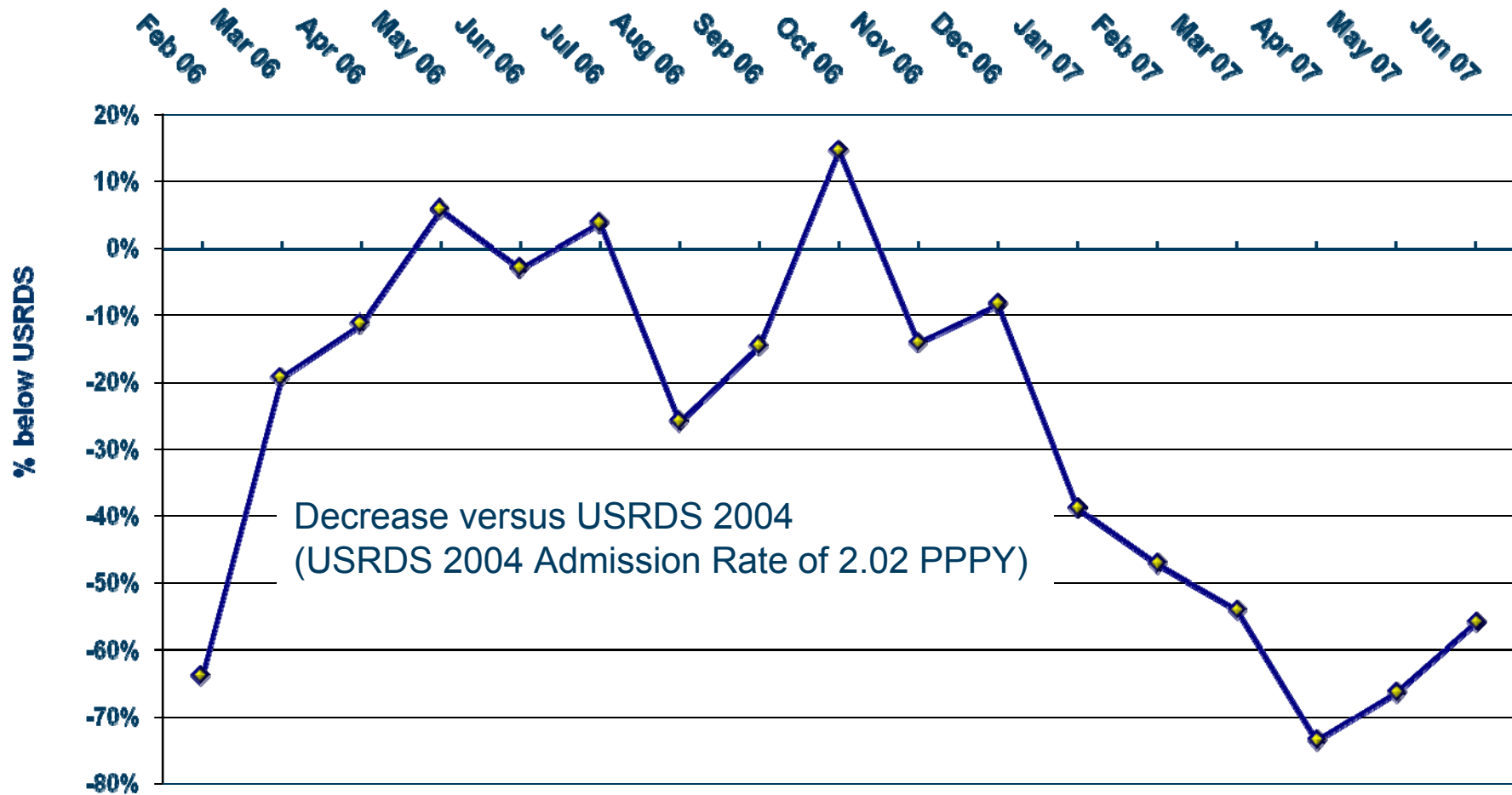
- Care manager and Disease Management
- Modest dental and vision benefits
- No co-payment on diabetic testing supplies
- Nutritional supplements
- Transportation benefit for Vascular Access procedure

CMS ESRD Demo Project: Results to Date



- Enrollment reached 550 patients by year end 2006 and 900 patients by mid-year 2007 (10 markets)
- Medical loss ratio of approximately 89% achieved
- Quality indicators surpassed national averages and generally met improvement targets
- Approximately 50% of patients qualified and received nutritional support
- Hospital admissions below USRDS historical levels and averaged 1.5 admission per patient per year (PPPY) for first eighteen months of the demo project

CMS ESRD Demo Project: Patient Hospital Admissions



USRDS = United States Renal Data System

CMS ESRD Demo Project: Quality Targets Achieved



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QIP Calculations for the Period

Indicator
AV Fistula
Calcium (ALB)
Catheter
HGB
Phosphorus
spKt/V

July – Dec 2006

Achieved Improvement Target
Yes
No
Yes
No
Yes
Yes

Jan – June 2007

Achieved Improvement Target
Yes
Yes
Yes
No
Yes
Yes

Indicator
AV Fistula
Calcium (ALB)
Catheter
HGB
Phosphorus
spKt/V

Achieved National Target
Yes
Yes
Yes
Yes
Yes
Yes

Achieved National Target
Yes
Yes
Yes
Yes
Yes
Yes

QIP: Quality Improvement Payment



1. Cost of Care for ESRD Patients

2. Statistics

3. Renal Disease Management: Demo Project US

4. Renal Disease Management: Demo Project UK

5. Conclusion

Overview / Objectives

- Project duration from 2005 through mid 2006
- Demo Site West Lincolnshire Primary Care Trust
- Identify patients with CKD (in Primary Care Practices)
- Implement a nurse led, Primary Care based Disease Management program
- Risk assess all CKD Stage 4 and 5 patients
- Reduce unplanned hospitalization
- Improve Vascular Access at dialysis commencement
- Improve vaccination uptake

Results

- Reduced Emergency Room attendances by 54%
- Reduced outpatient visits by 60%
- Reduced unplanned admissions by 64%
- Reduced days in hospital by 57%
- 89% of patients with falling Glomerular Filtration Rate (GFR) improved



Results continued: Demo project was successful in terms of quality and economics:

- Increased patient identification – 15 fold
- Reduced mortality from 21% to 10%
- Reduced crash landing from 38% to 25%
- Improved blood pressure control
- Improved cholesterol control
- Leading to 30% reduction in cardiovascular risk



1. Cost of Care for ESRD Patients

2. Statistics

3. Renal Disease Management: Demo Project US

4. Renal Disease Management: Demo Project UK

5. Conclusion

Conclusion: Current Situation / Opportunity



CKD patients are still largely inadequately managed

- Disease Management opportunity to:
 - Identify CKD patients earlier in the disease path
 - Improve outcomes, increase survival and provide better preparation for dialysis

ESRD patient population has high co-morbidity

- Disease Management opportunity to:
 - Improve patients outcomes by managing co-morbid conditions (case management approach)
 - Reduce ESRD mortality

Renal Disease Management can improve the organic dialysis patient growth rate

Conclusion: Potential Integrated Care Business Models



Conversion of Demo Project Experience to a Special Needs Plan (SNP)

- SNP - Medicare Advantage
 - Requires reauthorization of chronic SNP authority by Congress
 - Current SNP Authority sunsets as of Dec 31, 2008
 - Will target dual patients (Medicare primary/ Medicaid secondary)
 - Decision point for Fresenius Medical Care North America will be mid-late 2008 for implementation post demo project (2010)

Provide DM Services to Medicare Fee for Service

- DM fees at risk against total cost savings to Medicare
- Share of cost savings between Fresenius Medical Care and Medicare

Market size at 89% Medical Loss Ratio (MLR) on 300,000 Medicare ESRD Patients is approximately \$2.5 billion

Similar Models can be applied outside of US



Shareholder Value Created by Shaping the Future of Dialysis Worldwide

Lawrence Rosen

Capital Markets Day

September 20-21, 2007



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1. Historical Highlights

2. Financial Targets

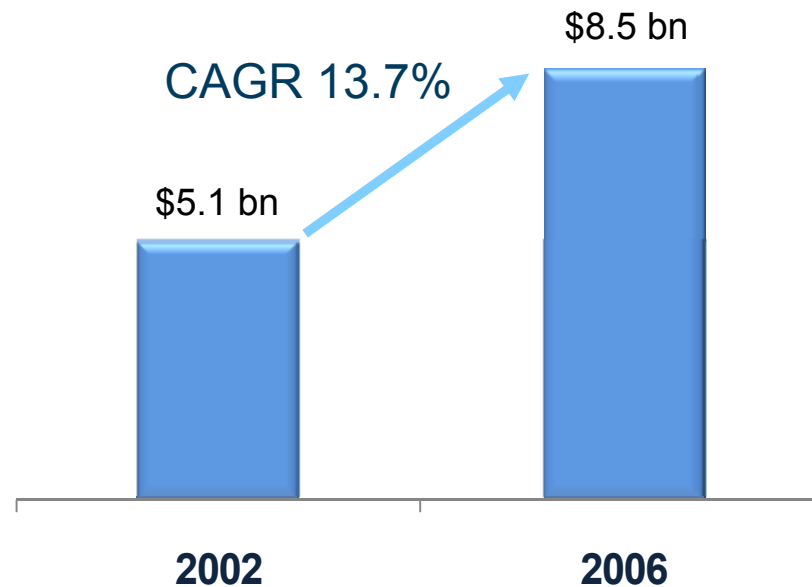
3. Key Non-Operating Initiatives

4. Summary

Topline Growth Drivers:

- Geographic Expansion
- Market Share Gains
- Revenue Per Treatment Increases
- Geographical Mix Management
- Successful Execution of Acquisition and Integration Strategy

Revenue

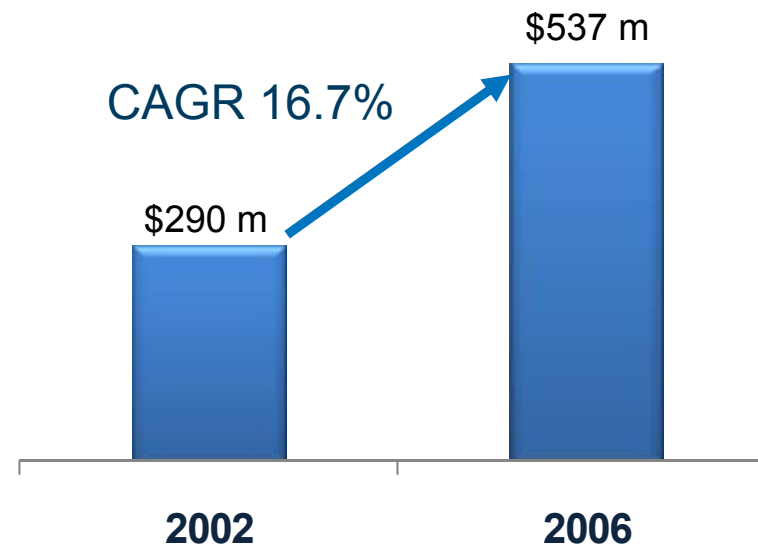


18 Quarters of Meeting or Exceeding Market Expectations

Earnings Growth Drivers:

- Scale Effects
- Revenue Per Treatment Increases
- Manufacturing Performance
- Product Mix
- Clinic Cost Control
- Favorable Financing Conditions
- Slightly Lower Tax Rate

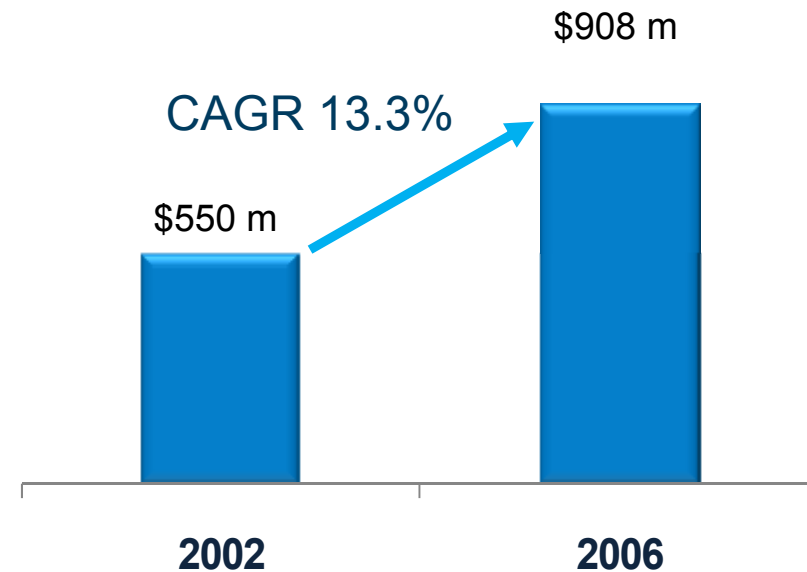
Net Income



Balance Sheet and Cash Flow Growth Drivers:

- Excellent Working Capital Management
- Strong Operating and Free Cash Flow
- Increasing Net Income Levels
- Cash Inflow from Share Conversion and Divestitures

Operating Cash Flow





1. Historical Highlights

2. Financial Targets

3. Key Non-Operating Initiatives

4. Summary



Guidance

Net Revenue	> \$9.5 bn
Net Income	\$685 – 705 m
Leverage Ratio (Debt/EBITDA)	< 3.0
CapEx and Aquisitions	~ \$650 m

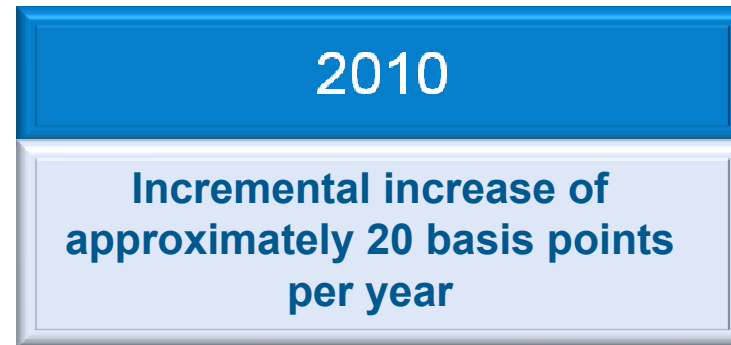
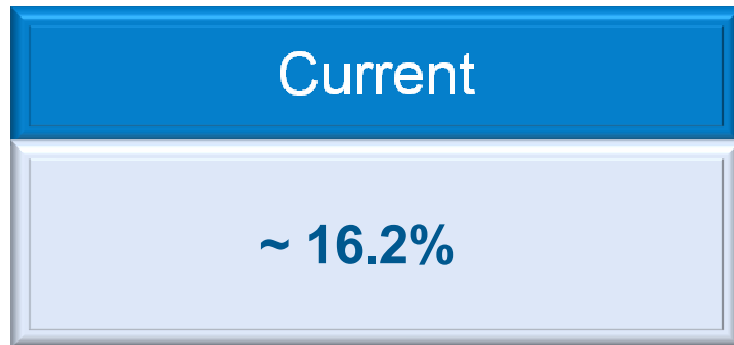
2010 Objectives – Revenue Average Annual Growth



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	Global Growth	Price Increase	Market Share & Acquisition	Total	Weight
<u>Services</u>	5 - 6%	1%	1 - 2%	7 - 9%	70%
<u>Products</u>	5 - 6%	0%		6 - 8%	30%
<u>Total Objective</u>				7 - 9%	

2010 Objectives – EBIT margin



- Scale effects
- RDI effect
- Strict cost control
- Strategic investment / placement

US:

International:

De novos → Payor mix

More profitable countries

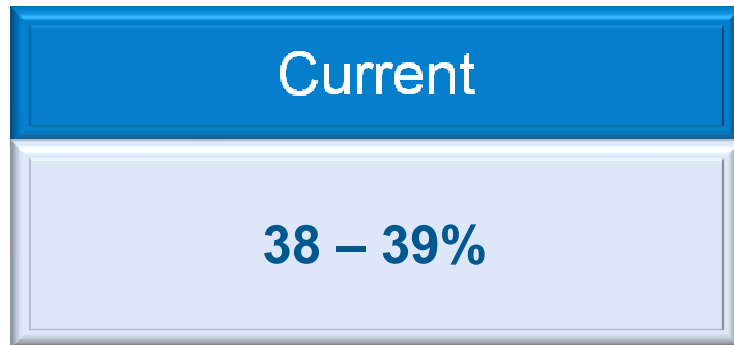
- Manufacturing capacity / demand management and efficiencies

2010 Objectives – Net Interest Expense



- Eliminate high cost subordinated tier
- Continue de-leveraging to reduce overall interest and credit margins
- Opportunistically increase variable rate exposure following de-leveraging and efficiencies

2010 Objectives – Effective Tax rate



- Review potential for a captive insurance subsidiary
- Intellectual property ownership
- Close open tax items and reduce interest effects included in tax note

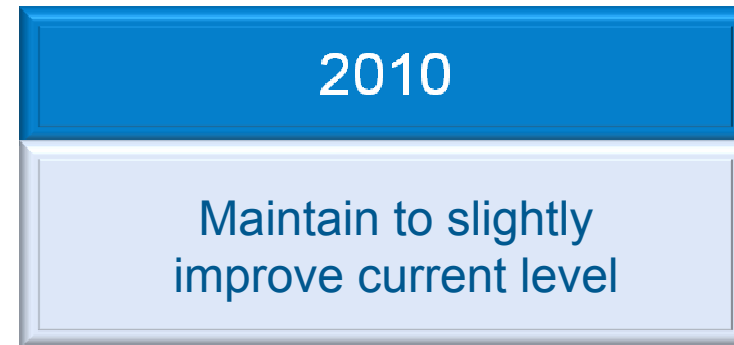
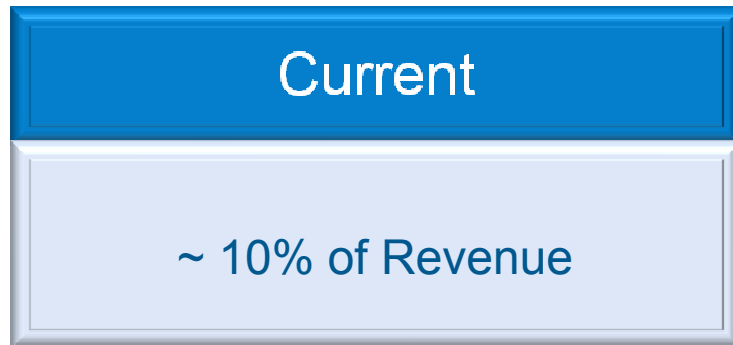
2010 Objectives – Net Income / EPS



Fresenius Medical Care

Objective	Current	2010 Annual Growth
Net Income	\$685 – 705 million	Low to mid-teen
EPS	\$2.32 – 2.38	Low to mid-teen

2010 Objectives – Cash from Operations



- Improve profitability
- Continue with effective working capital management
 - Strong collection process
 - Further optimize inventory management

2010 Objectives – CapEx & Acquisition



- Take advantage of the existing growth opportunities
- Prudent investment to avoid dilution of return on invested capital

2010 Objectives – 2010 GOAL 10



Fresenius Medical Care

	2007	2010
Revenues	> \$9.5bn	> \$11.5bn
EBIT Margins	~ 16.2%	~ 20 bps (incremental increases p.a.)
Interest Expense	6.8%	< 6.5%
Tax Rate	38 - 39%	< 38%
Net Income / EPS	\$685 – 705 million	Low to mid-teen (growth p.a.)
Operating Cash Flow	~ 10% of Revenues	Maintain to slightly improve current level
CapEx + Acquisitions	\$650 million	7% of Revenues



1. Historical Highlights

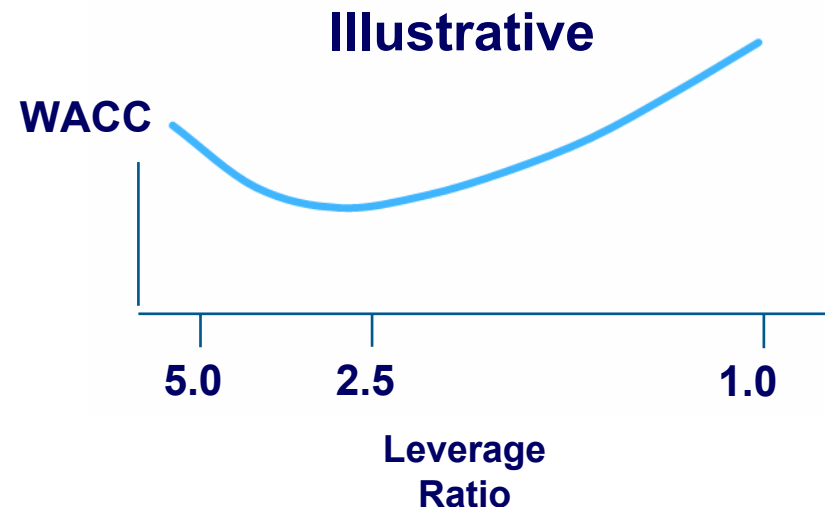
2. Financial Targets

3. Key Non-Operating Initiatives

4. Summary

Capital Structure

- FME should target a Debt/EBITDA ratio of 2.5 – 3.0x
- Roughly equivalent to a credit rating of BBB- to BB:
 - Industry well suited to “reasonable” leverage
 - Non-cyclical
 - Predictable cash flow
 - Attractive profitability
 - Foreseeable investment needs
 - WACC minimized at 2.5 – 3x



Capital Structure continued

- FME may reach lower end of target leverage range in next 12 – 18 months
- At that point, alternatives that could be considered are:
 - Further reduce leverage
 - Seek further investment opportunities
 - (i.e. – above 7% of revenue)
 - Increased return of cash to shareholders

Interest Rate Risk Management

- Continue conservative mix of about 75% fixed and 25% variable exposure for next 2 – 3 years
- More toward 60/40 fixed/variable exposure over following 5 years
- Match currencies with underlying cash flow generation

Debt Portfolio

- Transition to single tier
- Reduce reliance on banks
- Increase flexibility by reducing covenants and other documentation constraints
- Lengthen average maturity
- Transition from secured to unsecured debt
- Target committed and unutilized facilities at 10 – 15% of debt portfolio



1. Historical Highlights

2. Financial Targets

3. Key Non-Operating Initiatives

4. Summary



- Strategic and financial position significantly and sustainably strengthened in last years
- Significant growth opportunities exist medium to long-term
- Our strategy has positioned us to benefit the most from industry growth
- We will continue to build on our very solid financial position and provide significant additional value to shareholders in the foreseeable future
- Target: average annual growth of revenues of 7-9% and low to mid-teen annual growth of net income



Leadership

- Maintain our global leadership position
- Continue to shape the future of the dialysis industry

Quality

- Maintain superior quality in products and services

Growth

- Accelerate *de novo* developments
- Focus on organic revenue and per treatment growth
- Expand renal drug therapy initiative

Financial

- Control cost and spending
- Continue to de-leverage
- Continue profitable growth momentum
 - Revenue to >\$11.5 bn by 2010
 - Earnings After Tax – low to mid-teens

Safe Harbor Statement



Freemius Medical Care

This presentation includes certain forward-looking statements. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings and the availability of financing. These and other risks and uncertainties are detailed in the Company's reports filed with the Securities and Exchange Commission and the German Exchange Commission "Deutsche Börse".