



# Fresenius Medical Care

The World's Leading  
Renal Therapy Company

Third Quarter / Nine Months 2007 Results

Analyst Meeting, October 31, 2007



Fresenius Medical Care

# Safe Harbor Statement



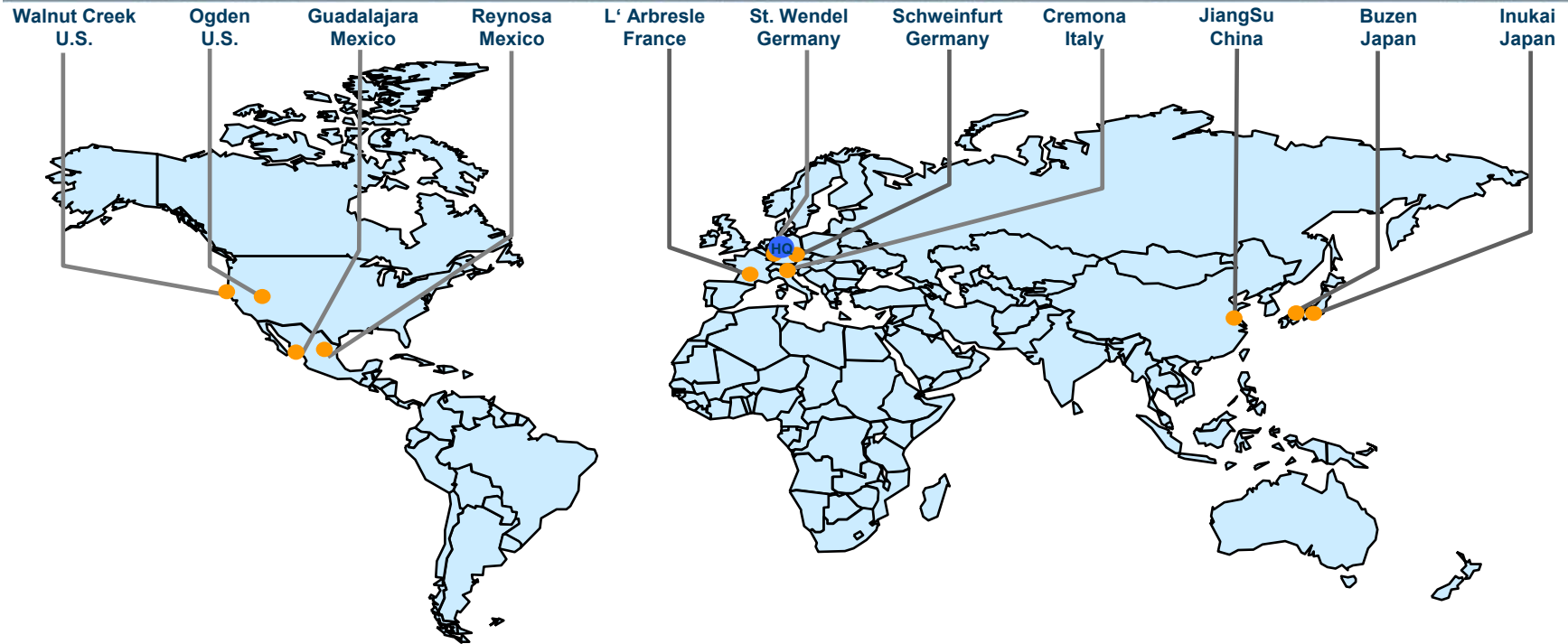
This presentation includes certain forward-looking statements. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic competitive conditions, regulatory reforms, foreign exchange 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".

## 1. Business Update

## 2. Financials and Outlook

## 3. Q&A Session

# Business Update



<p><b><u>Worldwide #1</u></b></p> <p>Clinics 2,221</p> <p>Patients 172,227</p>	<p><b><u>North America</u></b></p> <p>Clinics 1,591</p> <p>Patients 120,607</p>	<p><b><u>Latin America</u></b></p> <p>Clinics 168</p> <p>Patients 17,420</p>	<p><b><u>Europe</u></b></p> <p>Clinics 359</p> <p>Patients 26,447</p>	<p><b><u>Asia/Pacific*</u></b></p> <p>Clinics 143</p> <p>Patients 11,059</p>
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\* including clinics where FME has an interest of at least 10%

# Q3 2007 – Continued Strong Momentum



(excluding one-time items in 2006)

<b>Revenue</b>	<b>\$ 2,426 m</b>	<b>+ 9%</b>
<b>Net income</b>	<b>\$ 181 m</b>	<b>+ 27%</b>
<b>Earnings per share</b>	<b>\$ 0.61</b>	<b>+ 28%</b>

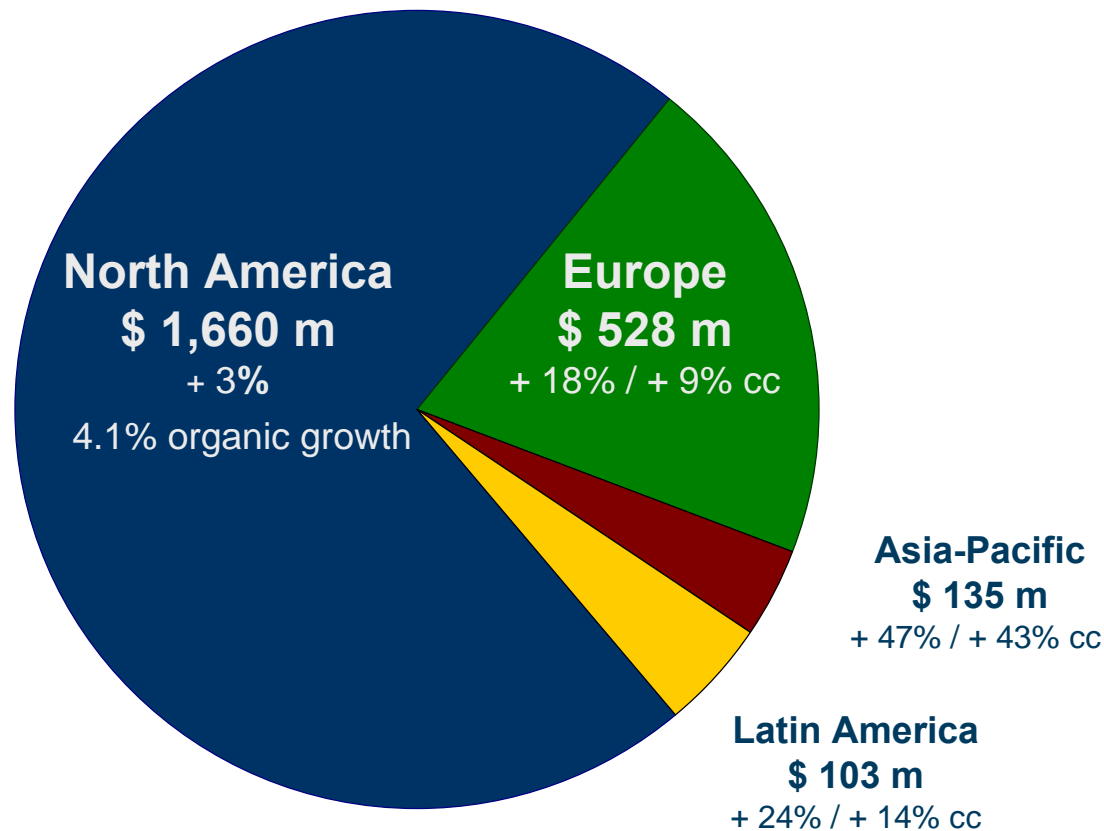
- ▶ Continued strong performance across all segments and regions again in Q3
- ▶ Continued high earnings momentum in Q3



**Clearly on Track to Achieve the  
Upper End of Guidance**

# Q3 2007 – Strong Revenue Growth

## Total Revenue Increased 9% to \$ 2,426 m \*



In % of total revenue:

North America	68%
Europe	22%
Asia-Pacific	6%
Latin America	4%

\* 16% growth at constant currency (cc)

## Strong Overall Revenue Growth

\$ in millions	Q3 2006	<b>Q3 2007</b>	Growth	cc
North America <sup>1)</sup>	1,445	<b>1,494</b>	3%	
International	232	<b>307</b>	32%	23%
<b>Total<sup>1)</sup></b>	1,677	<b>1,801</b>	<b>7%</b>	<b>6%</b>

- ▶ Continued strong growth in Europe of 10%cc (9% organic) and Asia-Pacific of 151%cc (19% organic), y-o-y

1) Q3 2006 revenue adjusted for sale of perfusion business in the amount of US\$ 27 m  
cc = constant currency

## Organic Revenue Growth of 5%

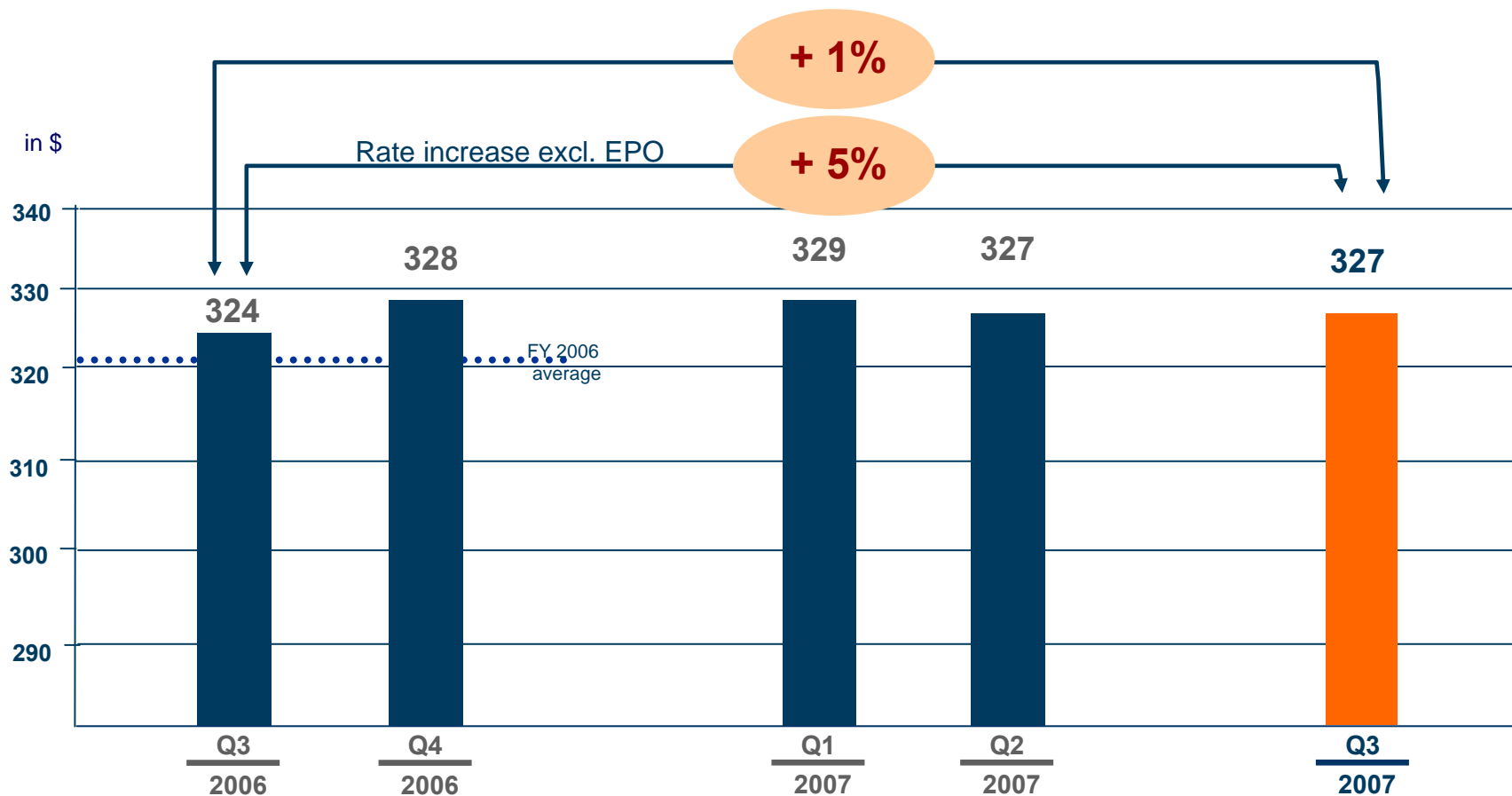
Q3 2007	Total	North America	International
<b>Organic revenue growth</b>	<b>+ 5%<sup>CC</sup></b>	<b>+ 3%</b>	<b>+ 12%<sup>CC</sup></b>
Same market treatment growth	+ 3.6%	+ 3.0%	+ 4.9%
Revenue per treatment		\$ 323 <sup>1)</sup>	\$ 153
Growth		+ 1%	+ 7% <sup>CC</sup>
Treatments (in million)	6.6	4.6	2.0
Growth	+ 6%	+ 3%	+ 14%

1) including Mexico  
 CC = constant currency



# Dialysis Services - United States

## Revenue per Treatment up 5% excluding EPO



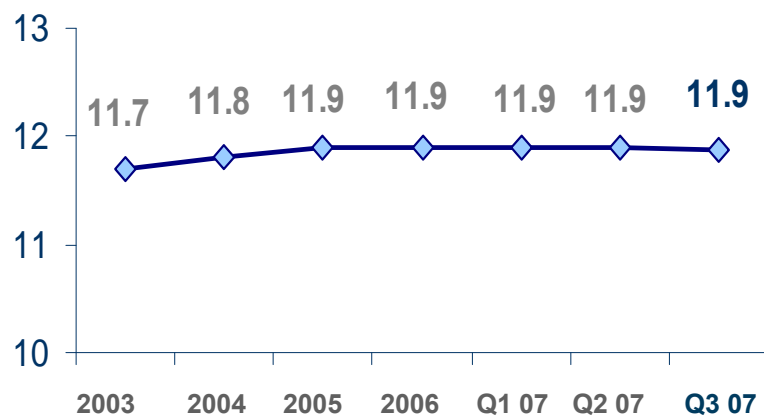
## Anemia Outcomes improving in Europe

% of FME patients	North America		EMEA	
	Q3 2006	Q3 2007	Q3 2006	Q3 2007
<b>Kt/V ≥ 1.2</b>	95%	<b>95%</b>	93%	<b>94%</b>
<b>Hemoglobin ≥ 11 g/dl</b>	81%	<b>80%</b>	68%	<b>73%</b>
<b>Albumin ≥ 3.5 g/dl</b>	80%	<b>80%</b>	87%	<b>85%</b>
<b>Hospitalization days</b>	11.5	<b>11.1</b>	7.5	<b>7.6</b>

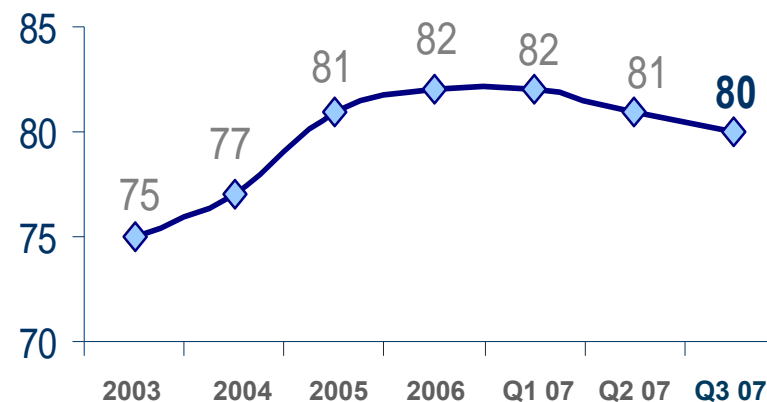
► North America: 2 days reduction in hospitalization since 2004

## Anemia Management

**Hemoglobin level**  
(3 months average)



**% of Patients Hemoglobin  $\geq$  11g/dl**  
(3 months average)



**Focuses on quality outcomes for patients in line with K/DOQI guidelines**

Data Source: Clinical Performance Management (CPM) Data / Legacy FME U.S. clinics

## Continued Excellent Growth

\$ in millions	Q3 2006	<b>Q3 2007</b>	Growth	cc
<b>Total revenue</b> (incl. Internal Revenue)	707	<b>821</b>	16%	11%
<b>External revenue</b>	530	<b>625</b>	18%	12%
↳ North America	141	<b>167</b>	18%	18%
↳ International	389	<b>459</b>	18%	9%

cc = constant currency

# Highlights - Global



- ▶ Impressive EBIT-margin growth  
(+ 70 basis points\* y-o-y)



- ▶ Organic revenue growth of 8%  
with sustained high profitability



- ▶ Successful Integration of recent acquisitions  
in Taiwan and Korea

\* Excluding one-time items. A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.

# Highlights – Global: Dialysis Products



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**North  
America**

- ▶ Strong growth in products well above market of 18%
- ▶ PhosLo sales fully in line with expectations being up +79%, y-o-y



**Europe**

- ▶ Strong growth in products above market at 17%, y-o-y (8%cc)
- ▶ 5008 HD machine unit sales up 135%, y-o-y



**Asia  
Pacific**

- ▶ Strong product sales growth of 14%cc
- ▶ Organic revenue growth in China Q3 of 46%cc and Nine Months of 31%cc, y-o-y

# Highlights – Global: Dialysis Services



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**North  
America**

- ▶ FDA Advisory Panel's decision supports Anemia Management Practices
- ▶ Active dialogue with U.S. legislators on medically appropriate care for ESRD patients
- ▶ Strong Revenue/treatment despite EPO discussion



**Europe**

- ▶ Service Growth in Eastern Europe of 18%cc, ytd
- ▶ Increase in revenue per treatment of 4%
- ▶ Online HDF reimbursement recognized in Spain



**Asia  
Pacific**

- ▶ Strong treatment growth in Q3 of 119% (14% excl. Jiate Excelsior)

## Quality

- ▶ Driving superior quality in products and services

## Growth

- ▶ Accelerate *de novo* developments
- ▶ Focus on organic revenue and per treatment growth

## Growth Drivers

- ▶ Increased Product Market Share
- ▶ Reimbursement Based on Quality
- ▶ Expansion of Clinic Network
- ▶ Renal Pharma



# Financials Q3 and Outlook



Fresenius Medical Care



# Profit & Loss <sup>1)</sup>

\$ in millions	Q3 2006	Q3 2007	Growth
Net revenue	2,234	<b>2,426</b>	9%*
Operating income (EBIT) <sup>2)</sup>	355	<b>397</b>	12%
EBIT margin in %	15.9	<b>16.4</b>	
Interest expense, net <sup>2)</sup>	100	<b>95</b>	
Income before income tax <sup>2)</sup>	255	<b>302</b>	18%
Income Tax expense <sup>2)</sup>	108	<b>115</b>	
Tax rate	42%	<b>38%</b>	
Minority interest	4	<b>6</b>	
Net income <sup>2)</sup>	143	<b>181</b>	27%

\* 6% growth at constant currency, 6% organic growth

1) Excluding one-time items in 2006

2) A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.

# Profit & Loss <sup>1)</sup>

\$ in millions	9M 2006	<b>9M 2007</b>	Growth
Net revenue	6,147	<b>7,151</b>	16% <sup>*</sup>
Operating income (EBIT) <sup>2)</sup>	936	<b>1,152</b>	23%
EBIT margin in %	15.2	<b>16.1</b>	
Interest expense, net <sup>2)</sup>	241	<b>281</b>	
Income before income tax <sup>2)</sup>	695	<b>871</b>	25%
Income Tax expense <sup>2)</sup>	280	<b>331</b>	
Tax rate	40%	<b>38%</b>	
Minority interest	10	<b>20</b>	
Net income <sup>2)</sup>	405	<b>520</b>	28%

\* 14% growth at constant currency, 7% organic growth

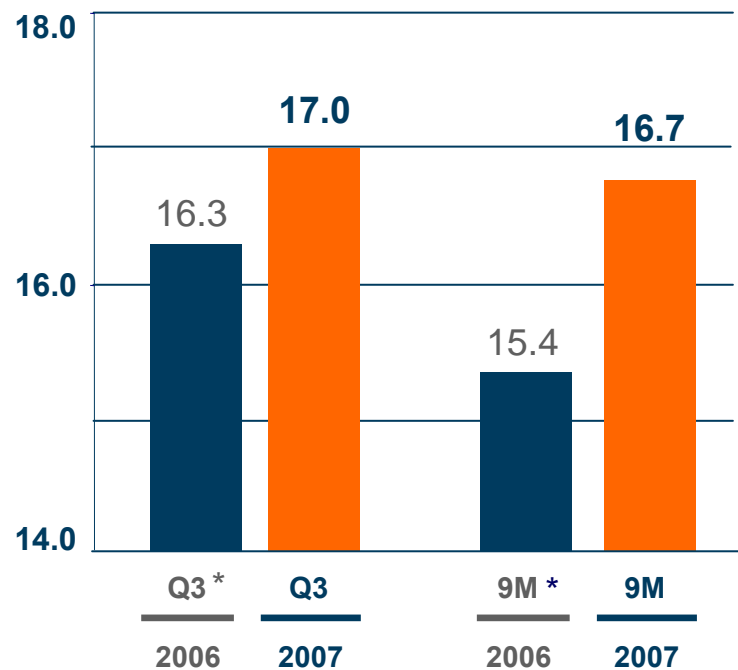
1) Excluding one-time items in 2006

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## Overall Solid Improvement

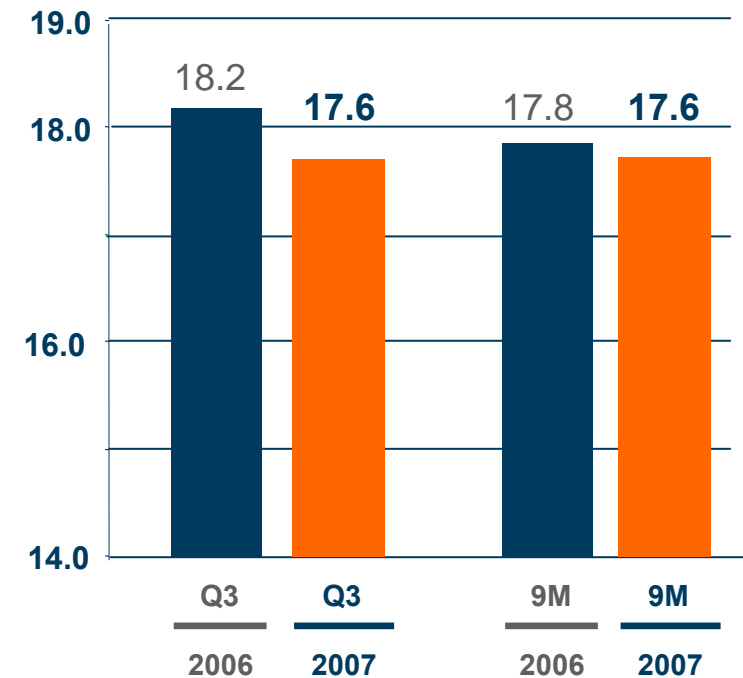
### North America

in %



### International

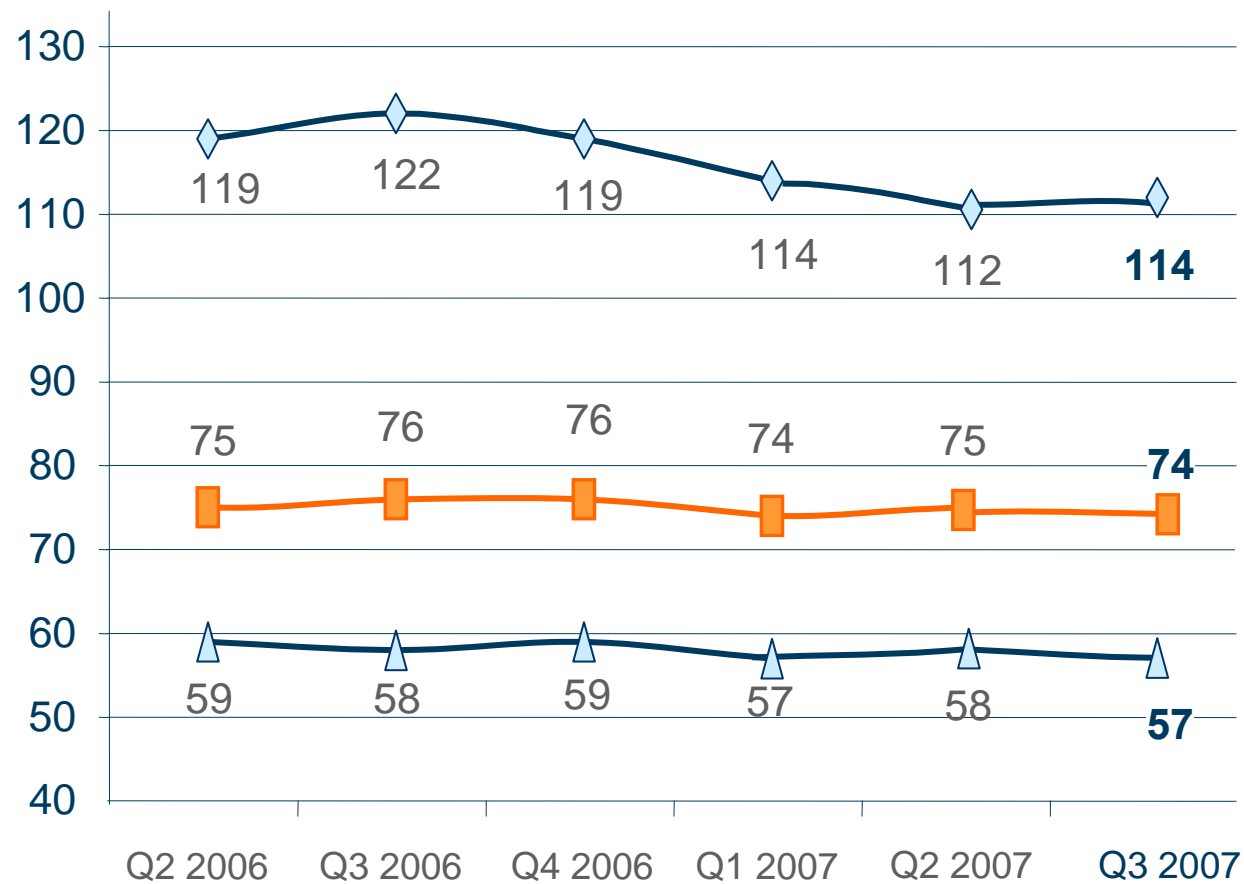
in %



\* Excluding one-time items

# Days Sales Outstanding (DSO)

## Best in Industry



International

FME Total

North America

# Cash Flow

\$ in millions	Q3 2006	Q3 2007	Growth
Net cash provided by operating activities <sup>1)</sup>	261	<b>382</b> 15.8% of revenue	47%
Capital expenditures (net) <sup>1)</sup>	(113)	<b>(123)</b>	
Free Cash Flow	148	<b>259</b>	74%
Acquisitions, net of divestitures <sup>1)</sup>	(10)	<b>(24)</b>	
Free Cash Flow after acquisitions	138	<b>235</b>	

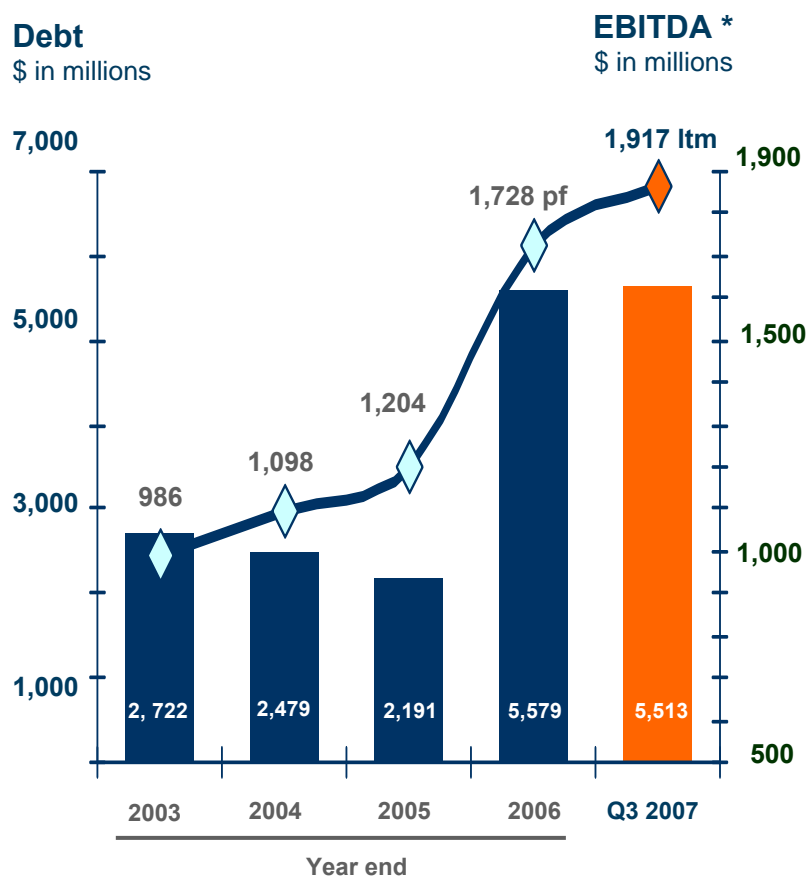
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# Cash Flow

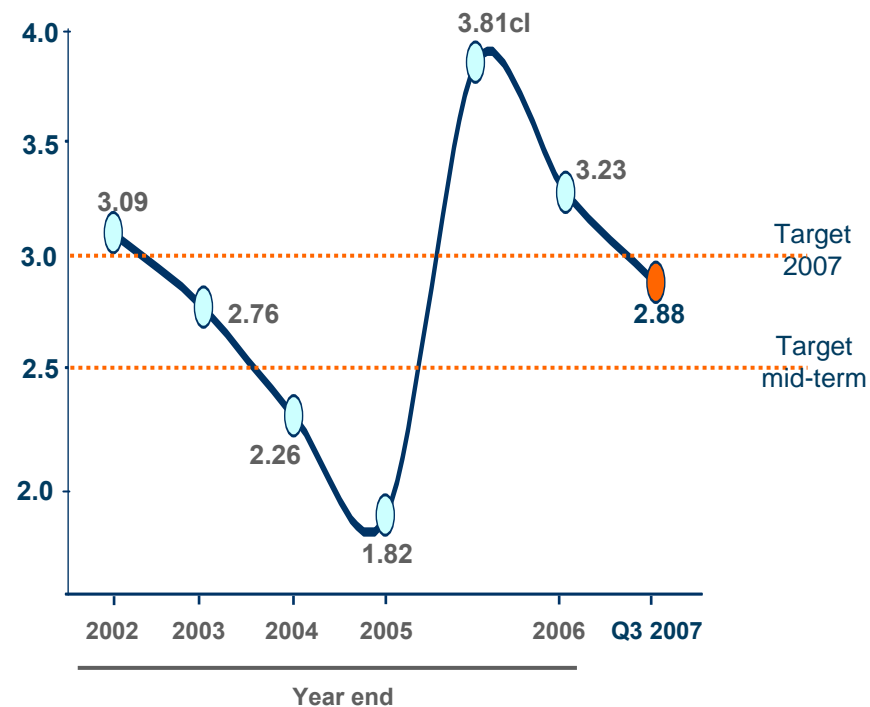
\$ in millions	9M 2006	9M 2007	Growth
Net cash provided by operating activities <sup>1)</sup>	663	<b>890</b> 12.4% of revenue	34%
Capital expenditures (net) <sup>1)</sup>	(273)	<b>(364)</b>	
Free Cash Flow	390	<b>526</b>	35%
Acquisitions, net of divestitures <sup>1)</sup>	(44)	<b>(110)</b>	
Free Cash Flow after acquisitions	346	<b>416</b>	

1) A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.

## De-leveraging ahead of schedule



Debt / EBITDA Development



pf = pro forma    ltm = last twelve months    cl = closing RCG

\* including non-cash charges and excluding restructuring costs, in-process R&D and gain from the sale of dialysis clinics.  
A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.

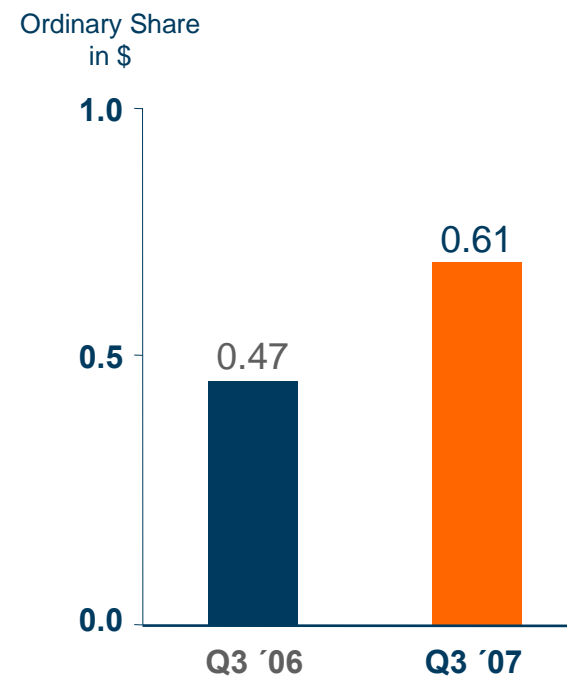
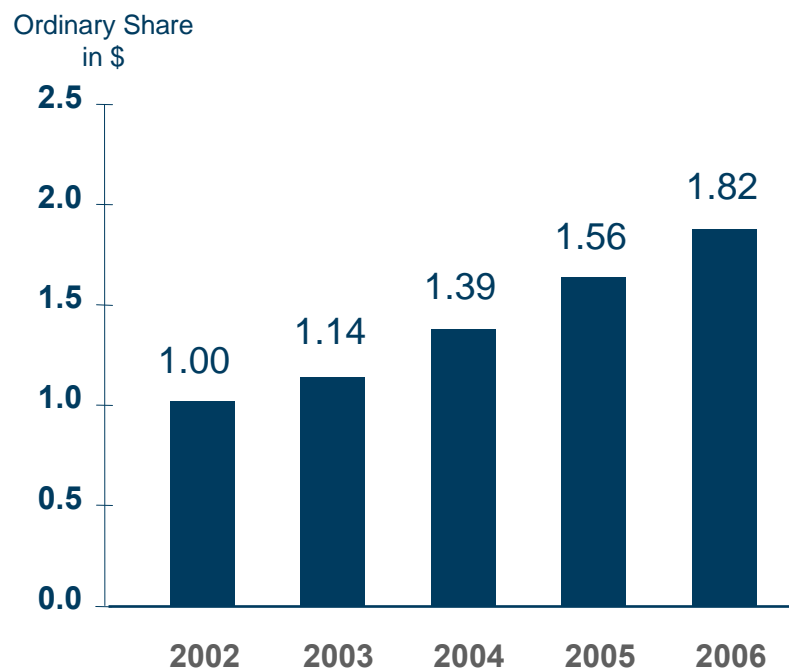


# Continued Strong Growth in Earnings per Share

## Earnings per Share

CAGR = **16%**

Q3 2007 = **29%**



\$ in millions	Guidance
Net Revenues	<b>&gt; \$9,500</b>
Net Income	<b>\$685 - <u>705</u></b>
Leverage ratio (Debt/EBITDA)	<b>&lt; 3.0</b>
CapEx and acquisitions	<b>~ \$650</b>

- ▶ **Clearly on Track for the Upper End of Net Income Guidance**
- ▶ **Leverage Ratio Target already Achieved after Nine Months**

**Thank You for your interest in  
Fresenius Medical Care !**



# Q&A Session





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Fresenius Medical Care

## Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

<b>Debt</b>	Q3 2007	FY 2006	FY 2005	FY 2004	FY 2003
Short term borrowings (incl. A/R program) <sup>1)</sup>	76	331	151	419	90
+ Short term borrowings from related parties	46	5	19	6	30
+ Current portion of long-term debt and capital lease obligations	46	160	126	230	90
+ Current portion of Trust Preferred Securities	665				
+ Long-term debt and capital lease obligations, less current portion	4,032	3,829	707	545	1,112
+ Trust Preferred Securities (net of current portion)	648	1,254	1,188	1,279	1,242
+ Accounts receivable securitization program	0	0	0	0	158
= Total debt	5,513	5,579	2,191	2,479	2,722
<b>EBITDA</b>	Q3 2007 <sup>2)</sup>	FY 2006 <sup>2)</sup> (pro forma)	FY 2005	FY 2004	FY 2003
Last twelve months operating income (EBIT)	1,533	1,367	939	852	757
+ Last twelve months depreciation and amortization	347	326	251	233	216
+ Non-cash charges	37	35	14	13	13
= EBITDA (annualized)	1,917	1,728	1,204	1,098	986

1) A/R securitization program off-balance sheet in 2003 and included in short term borrowings from 2004 onwards

2) Excluding restructuring costs and in-process R&D

# Attachment II

## Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

<b>External Revenue</b>	<b>Q3 2007</b>	<b>Q3 2006</b>	<b>growth</b>	<b>cc</b>
<b>International</b> product revenue	524	439	+ 19%	+ 11%
- Internal revenue	(65)	(50)		
<b>= External revenue</b>	<b>459</b>	<b>389</b>	<b>+ 18 %</b>	<b>+ 9%</b>
<b>North America</b> product revenue	297	268	+ 11%	
- Internal revenue	( 130)	( 127)		
<b>= External revenue</b>	<b>167</b>	<b>141</b>	<b>+ 18%</b>	
<b>TOTAL</b> product revenue	821	705	+ 16%	+ 11%
- Internal revenue	( 196)	( 175)		
<b>= External revenue</b>	<b>625</b>	<b>530</b>	<b>+ 18%</b>	<b>+ 12%</b>
<b>Capital expenditure (net)</b>	<b>9M 2007</b>	<b>Q3 2007</b>	<b>Q3 2006</b>	<b>9M 2006</b>
<b>Purchase of property, plant and equipment</b>	<b>386</b>	<b>134</b>	<b>115</b>	<b>288</b>
<b>- Proceeds from sale of property, plant and equipment</b>	<b>(22)</b>	<b>(11)</b>	<b>(2)</b>	<b>(15)</b>
<b>= Capital expenditure (net)</b>	<b>364</b>	<b>123</b>	<b>113</b>	<b>273</b>

cc = constant currency

# Attachment III

## Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

<b>Operating performance before one-time items</b>	Q3 2007	Q3 2006	growth
Operating income (EBIT)	397	349	14 %
<b>Gain from divestiture + restructuring</b>	<b>0</b>	<b>6</b>	
Operating income (EBIT) before one-time-items	397	355	12 %
<b>Net income</b>	<b>181</b>	<b>139</b>	<b>30 %</b>
<b>Loss from divestiture, restructuring</b>	<b>0</b>	<b>4</b>	
Net income before one-time-items	181	143	27 %

<b>Profit &amp; Loss Account</b>	Q3 2006	One-time items	Q3 2006 excluding one-time items
<b>Net revenue</b>	<b>2,234</b>		<b>2,234</b>
<b>Operating income (EBIT)</b>	<b>349</b>	<b>6 *</b>	<b>355</b>
EBIT- margin (%)	15.6		15.9
Interest expense, net	(100)		(100)
<b>Income before income taxes</b>	<b>249</b>	<b>6</b>	<b>255</b>
Income Tax expense	(106)	(2)	(108)
Tax rate (%)	42		42
Minority interest	(4)		(4)
<b>Net income</b>	<b>139</b>	<b>4</b>	<b>143</b>

\* Restructuring costs of US\$ 7 m, less gain from divestiture of US\$ 1 m



# Attachment IV

## Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

<b>Profit &amp; Loss Account</b>	9M 2006	One-time items	9M 2006 excluding one-time items
<b>Net revenue</b>	<b>6,147</b>		<b>6,147</b>
<b>Operating income (EBIT)</b>	<b>964</b>	<b>(28) *</b>	<b>936</b>
EBIT- margin (%)	15.7		15.2
Interest expense, net	(255)	14 **	(241)
<b>Income before income taxes</b>	<b>709</b>	<b>(14)</b>	<b>695</b>
Income Tax expense	(314)	34	(280)
Tax rate (%)	44%		40
Minority interest	(10)		(10)
<b>Net income</b>	<b>385</b>	<b>20</b>	<b>405</b>
<b>Operating income North America</b>			
		Q3 2006	9M 2006
Revenue		1,613	4,367
Operating income (EBIT)		257	704
<b>Ebit margin (in % of revenue)</b>		<b>15.9%</b>	<b>16.1%</b>
<b>One-time-items</b>		<b>6</b>	<b>(30)</b>
<b>Ebit margin (in % of revenue) before one-time items</b>		<b>16.3%</b>	<b>15.4%</b>

\* US\$ 40 m gain from divestiture, less US\$ 10 m restructuring costs and US\$ 2 m costs for transformation of the legal form of the Company

\*\* Write-off of deferred financing costs

# Attachment V

## Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

Cash Flow	Q3 2007	9M 2007
Acquisitions	(26)	(140)
Proceeds from divestitures	2	30
<b>Acquisitions, net of divestitures</b>	<b>(24)</b>	<b>(110)</b>

Cash Flow	Q3 2006	Tax payments for prior years	RCG acquisition	Q3 2006
<b>Net cash provided by operating activities</b>	<b>153</b>	99	9	<b>261</b>
Capital Expenditures (net)	(113)			(113)
<b>Free Cash Flow</b>	<b>40</b>	99	9	<b>148</b>
Acquisitions and divestitures	(8)		(2)	(10)
<b>Free Cash Flow after acquisitions and divestitures</b>	<b>32</b>	99	7	<b>138</b>

Cash Flow	9M 2006	Tax payments for prior years	RCG acquisition	9M 2006
<b>Net cash provided by operating activities</b>	<b>465</b>	99	99	<b>663</b>
Capital Expenditures (net)	(273)			(273)
<b>Free Cash Flow</b>	<b>192</b>	99	99	<b>390</b>
Acquisitions and divestitures	(3,682)		3,638	(44)
<b>Free Cash Flow after acquisitions and divestitures</b>	<b>(3,490)</b>	99	3,737	<b>346</b>

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