



Fresenius Medical Care

**The World's Leading
Renal Therapy Company**

Second Quarter / First Half 2008 Results

Conference Call, July 30, 2008



Fresenius 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".



1. Business Update

2. Financials and Outlook

3. Q&A Session

Q2 2008 – Strong Quarter



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Revenue	\$ 2,665 m	+ 11%
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Net income	\$ 211 m	+ 18%
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Earnings per share	\$ 0.71	+ 18%
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▶ On track to achieve Full Year Guidance

despite:

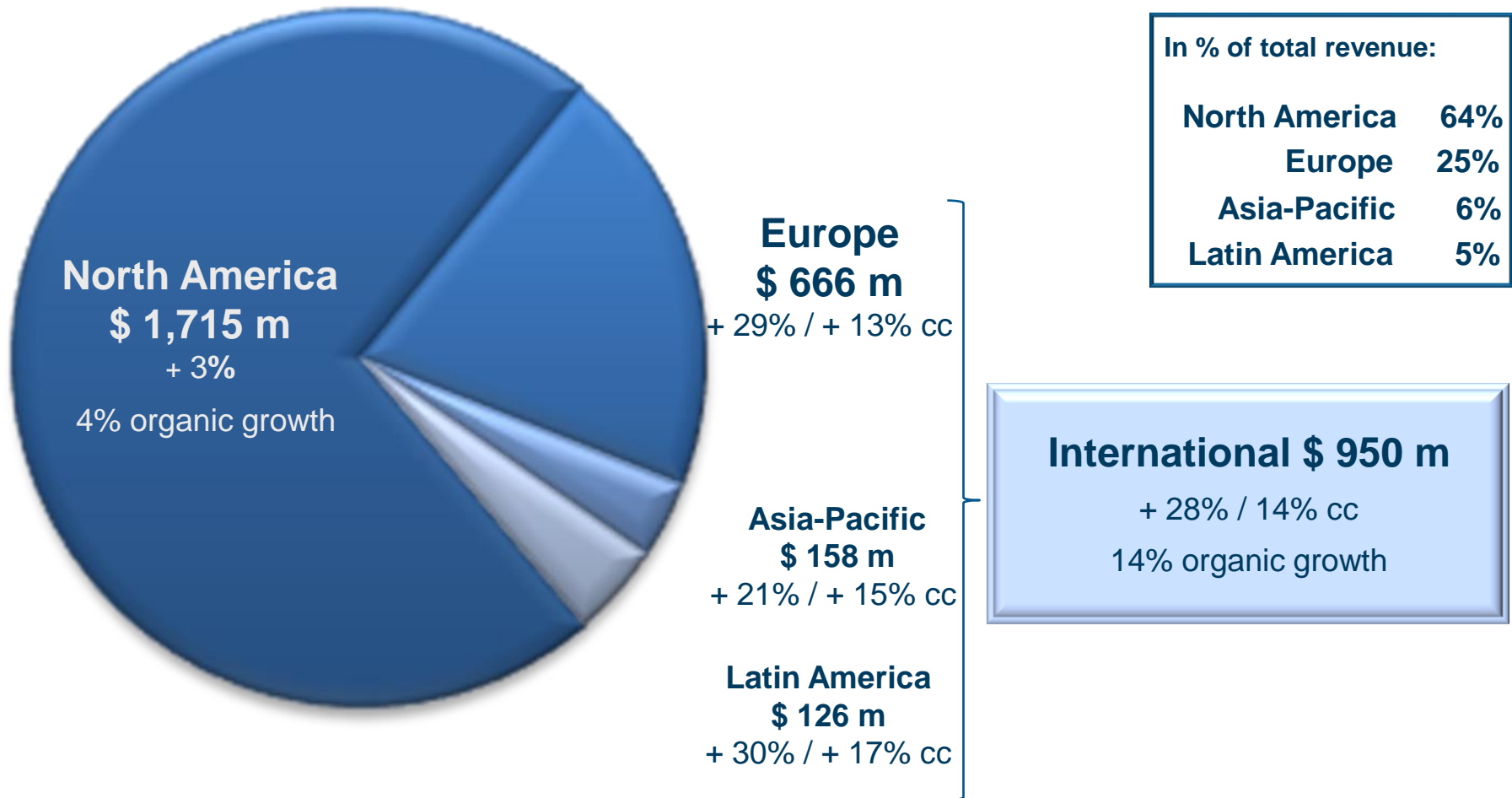
- ▶ EPO reimbursement below previous year
- ▶ Heparin costs in North America significantly higher in the second half of 2008

Q2 2008 – Strong Organic Growth of 7%



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Total Revenue Increased by 11% to \$ 2,665 m *



* 7% growth at constant currency (cc)



Accelerated International Growth of 19% cc

US-\$ in millions	Q2 2007	Q2 2008	Growth	cc
North America	1,499	1,533	2%	
Adjusted for the sale of the perfusion business			3%	
International	296	391	32%	19%
Total	1,796	1,924	7%	5%
Adjusted for the sale of the perfusion business			8%	6%

cc = constant currency



Strong Organic Revenue growth and improving Revenue per Treatment

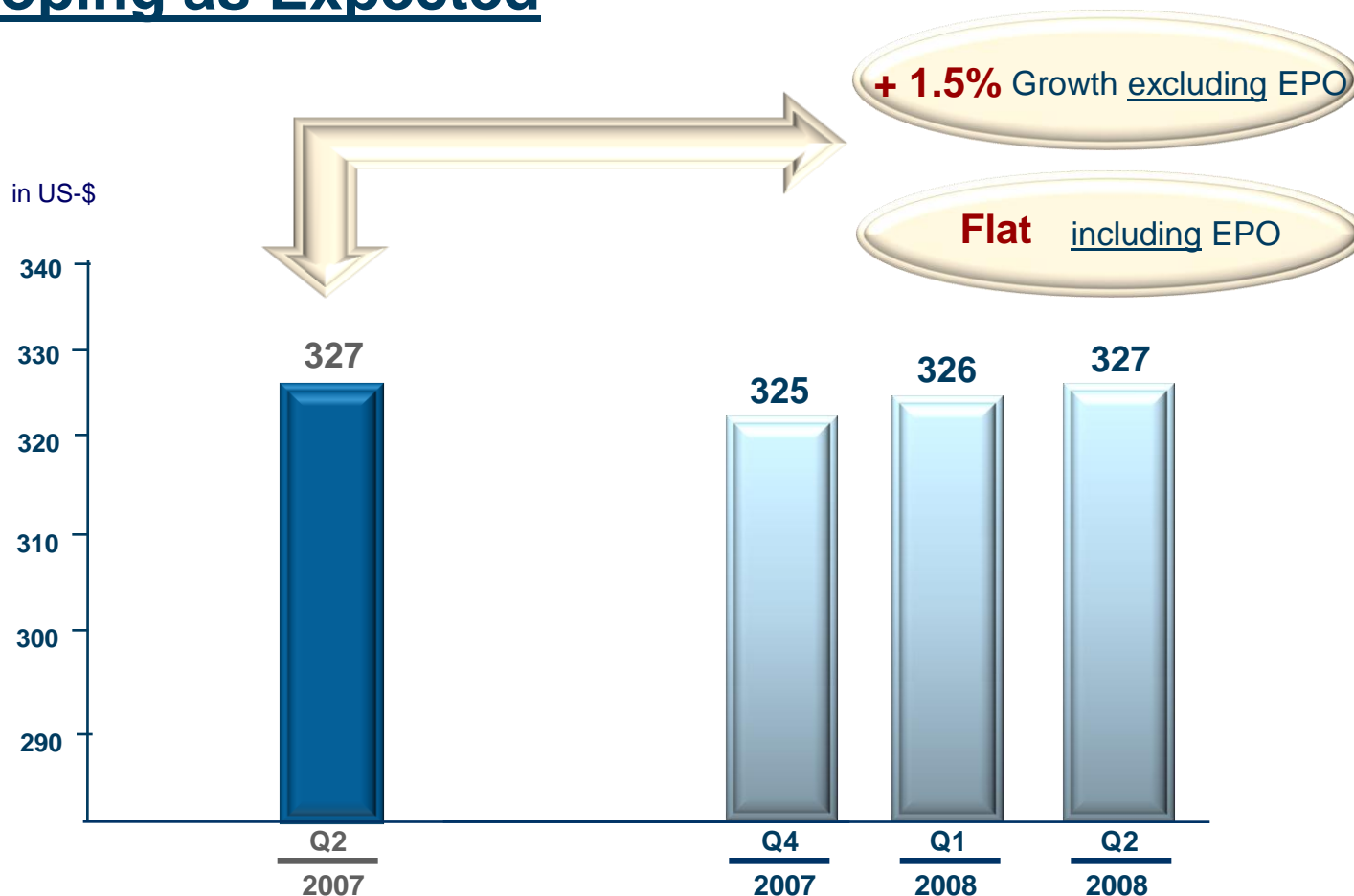
Q2 2008	Total	North America	International
Organic revenue growth	+ 5%	+ 3%	+ 19%
Same market treatment growth	+ 4.2%	+ 2.8%	+ 7.9%
Revenue per treatment		\$ 323¹⁾	\$ 183
Growth		-0.1%	+ 10.3% cc
Clinics Q2 2008	2,318	1,647	671
Growth	+ 5%	+ 4%	+ 7%
De novos Q2 (including managed clinics)	26	12	14

1) including Mexico

cc = constant currency



Epo Utilization and Dialysis Reimbursement developing as Expected





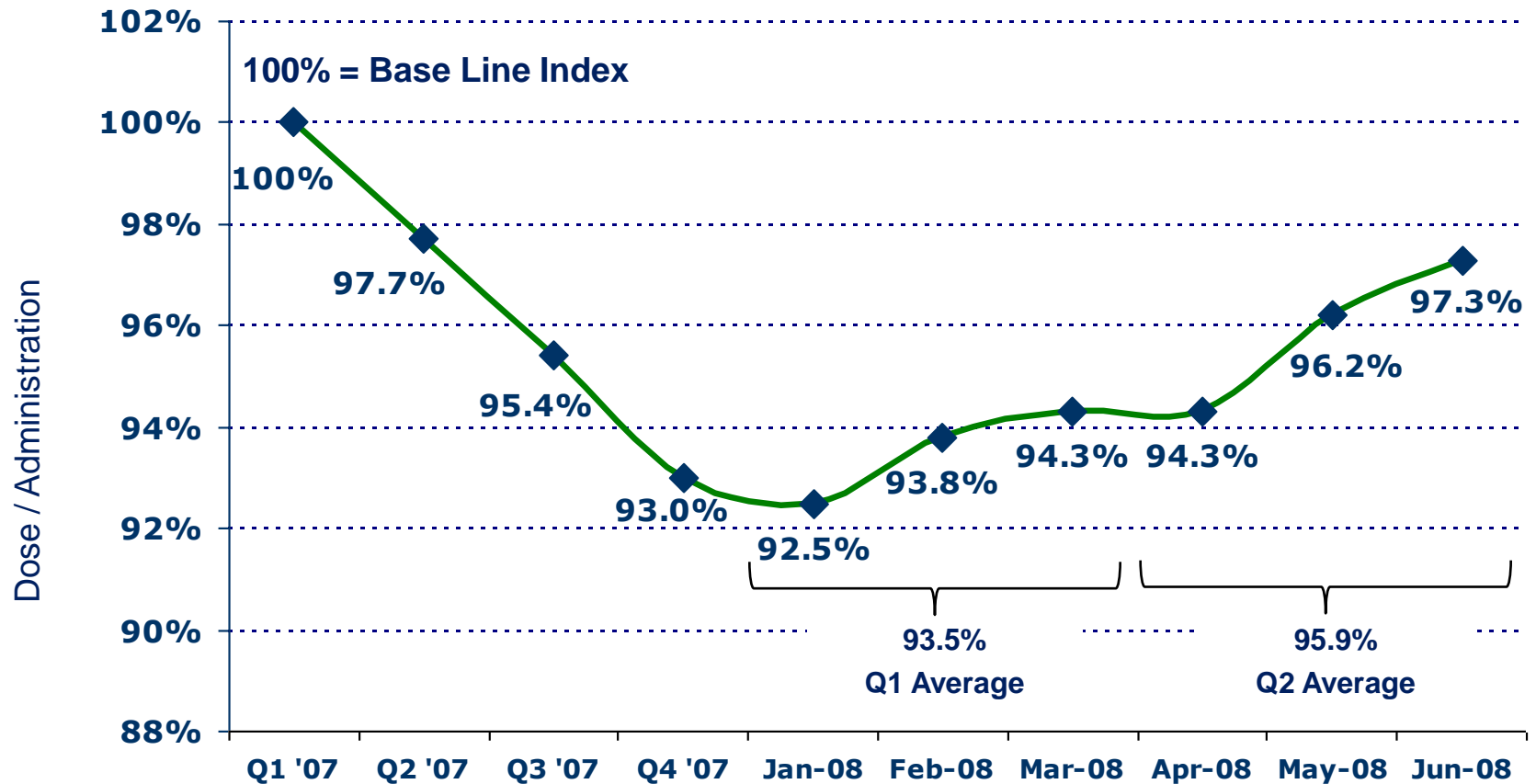
Overall Strong Quality Performance Except for Hemoglobin

% of FME patients	North America		EMEA	
	Q2 2007	Q2 2008	Q2 2007	Q2 2008
Kt/V \geq 1.2	94%	95%	94%	95%
Hemoglobin \geq 11 g/dl	81%	73%	72%	69%
Albumin \geq 3.5 g/dl	79%	80%	86%	85%
Phosphate 3.5-5.5 mg/dl	52%	55%	57%	60%
Hospitalization days	11.2*	10.5*	7.9	8.0

* The hospitalization rates for the US reflects FMS adoption of CMS policy



EPO Utilization

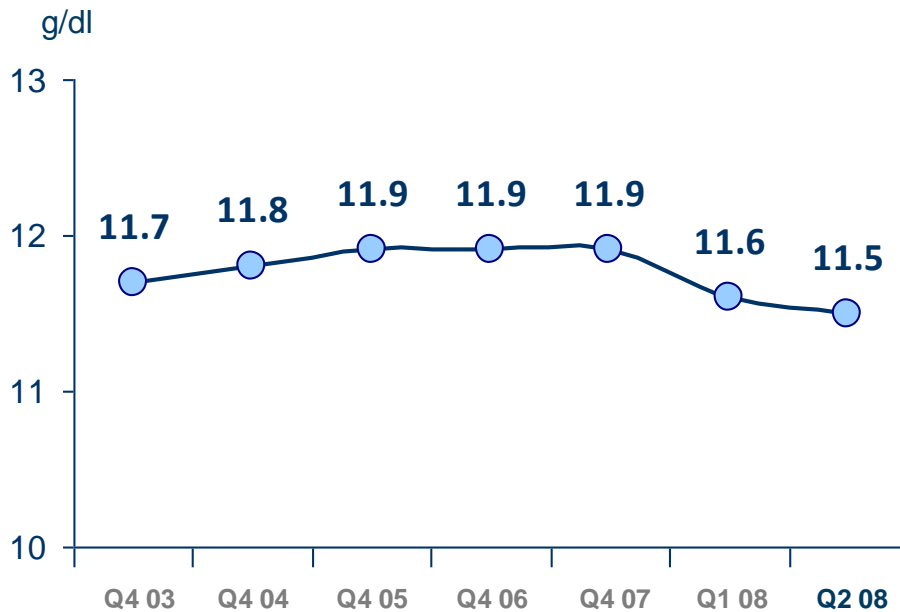


Data Source: FMC-NA Clinical Data Warehouse and IRIS Data Warehouse - All FME U.S. clinics (including RCG legacy)

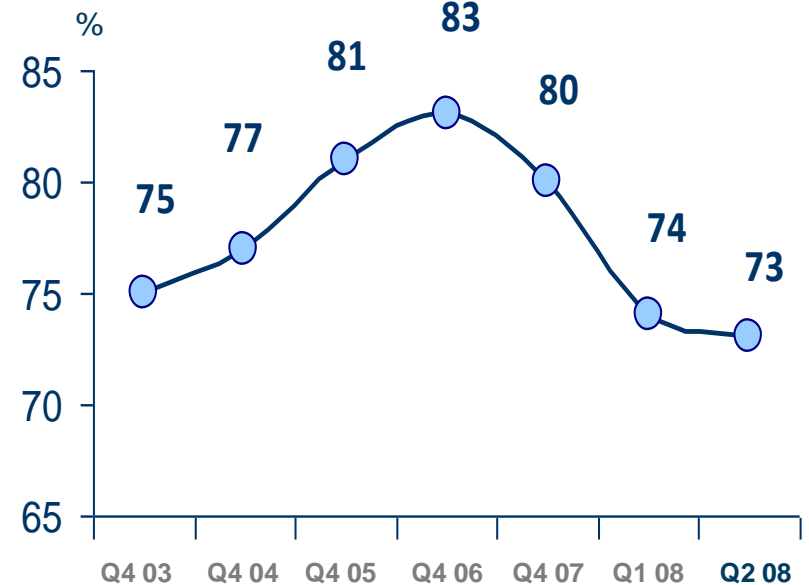


Anemia Management

Hemoglobin level
(3 months average)



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



Data Source: Clinical Data Warehouse FME U.S. clinics



Excellent External Product Revenue Growth

US-\$ in millions	Q2 2007	Q2 2008	Growth	cc
Total revenue (incl. Internal Revenue)	799	953	19%	10%
External revenue	609	741	22%	12%
↳ North America	161	182	13%	13%
↳ International	448	559	25%	11%

cc = constant currency



Medicare Bill was passed on July 14, 2008

Key Dialysis components included are:

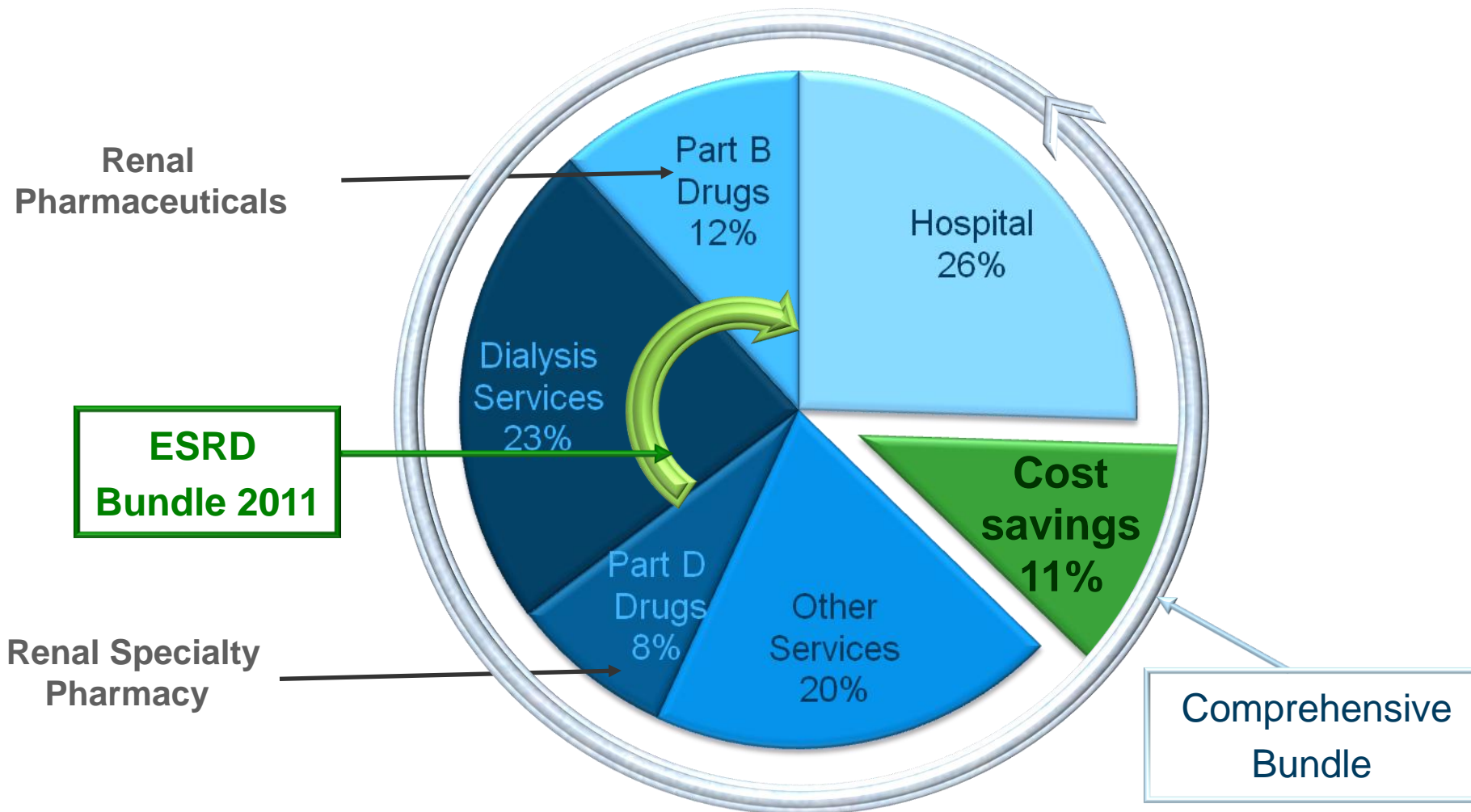
- ▶ Composite rate increase of 1% per annum in 2009 and 2010
- ▶ New law mandates a bundled payment rate at 98% of total non-bundled expenditures starting in 2011
 - Providers may elect to voluntarily phase in over 3 years
- ▶ Permanent market basket increase beginning in 2012, estimated approximately 2% per year
- ▶ Extends authority for Medicare Advantage Special Needs Plan (MA-SNP) through 2011
- ▶ Delays moratorium on new MA-SNP to 2010

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Health Plan 2nd year results



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Medicare Fee For Service	100% of costs per annum
FMC Health Plan (Capitation – Special Needs Plan/SNP)	89% of costs per annum



Focusing on further improving patient therapy and expanding market opportunities globally

- ▶ Exclusive 10 year U.S. manufacturing and distribution sublicense agreement for Venofer[®] and next generation I.V. Iron product for dialysis stage V

- ▶ Venofer[®] is the leading I.V. Iron product worldwide
 - Total U.S. I.V. Iron purchases are ~ \$500 million (Venofer[®] accounts for 55%)

- ▶ Transaction is subject to FTC – HSR clearance



Focusing on further improving patient therapy and expanding market opportunity in Europe and Latin America

- ▶ Exclusive agreement with Galenica to commercialize I.V. Iron products Venofer[®] and Ferinject[®] for dialysis stage V patients

- ▶ Total market for I.V. Iron in Europe, Middle East, Africa, and Latin America was more than \$120 million in 2007
 - Commercialization expected to become effective – no later than January 1, 2009

 - Expected 2010 annual sales to be about \$50 million

Highlights Q2



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- ▶ Continued revenue growth momentum in products of 13%
- ▶ Bundle reimbursement in 2011 with automatic update
- ▶ Anemia Management developing as expected
- ▶ Add IV Iron to the Renal Pharma Portfolio



- ▶ Revenue growth momentum continued of 13%cc
- ▶ Continued strong growth in Eastern Europe +17%
- ▶ Same market treatment growth of 9%
- ▶ Very strong growth in the Acute Renal Business



- ▶ Strong same market treatment growth of 6%
- ▶ Impressive revenue growth in China of 42%cc
- ▶ Continued impressive revenue growth of 38% cc (excl. Japan)
- ▶ Launch of new high performance dialyzer FX-S

cc= constant currency

Financials and Outlook



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Profit & Loss



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US-\$ in millions	Q2 2007	Q2 2008	Growth
Net revenue	2,404	2,665	11%*
Operating income (EBIT)	391	429	10%
EBIT margin in %	16.3	16.1	
Interest expense, net	92	82	
Income before income tax	299	347	16%
Income Tax expense	113	129	
Tax rate	38.0%	37.2%	
Minority interest	7	7	
Net income	179	211	18%

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

Profit & Loss



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US-\$ in millions	H1 2007	H1 2008	Growth
Net revenue	4,725	5,177	10%*
Operating income (EBIT)	756	818	8%
EBIT margin in %	16.0	15.8	
Interest expense, net	187	165	
Income before income tax	569	653	15%
Income Tax expense	216	243	
Tax rate	38.0%	37.2%	
Minority interest	14	13	
Net income	339	397	17%

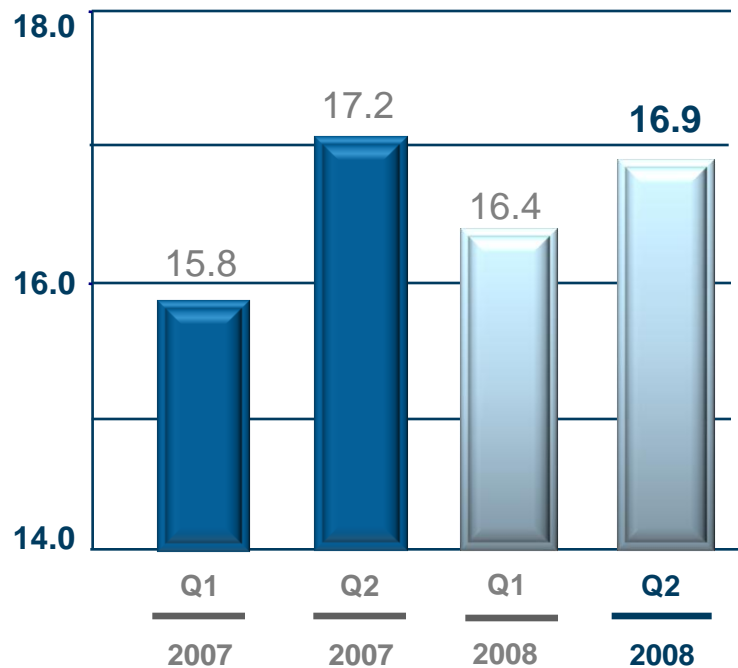
* 6% growth at constant currency, 6% organic growth



Continued Solid Performance in All Segments

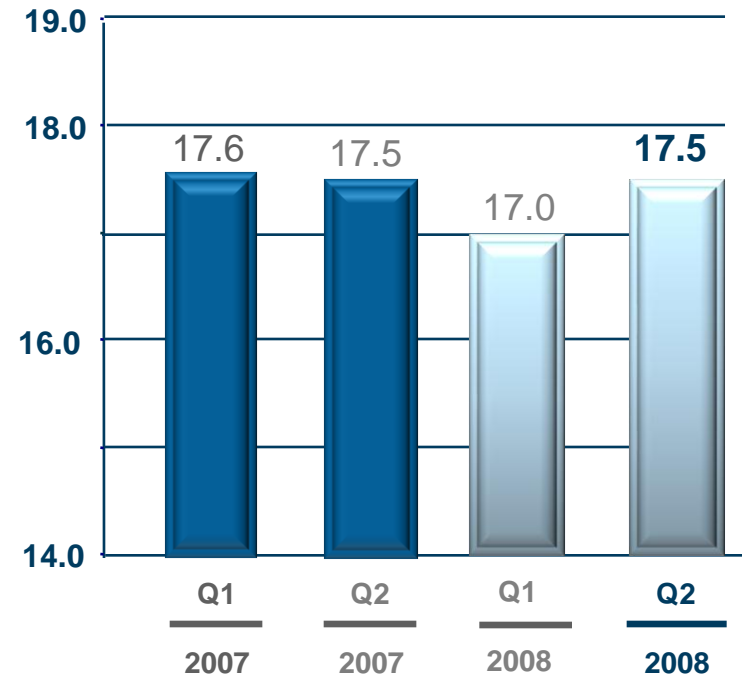
North America

in %



International

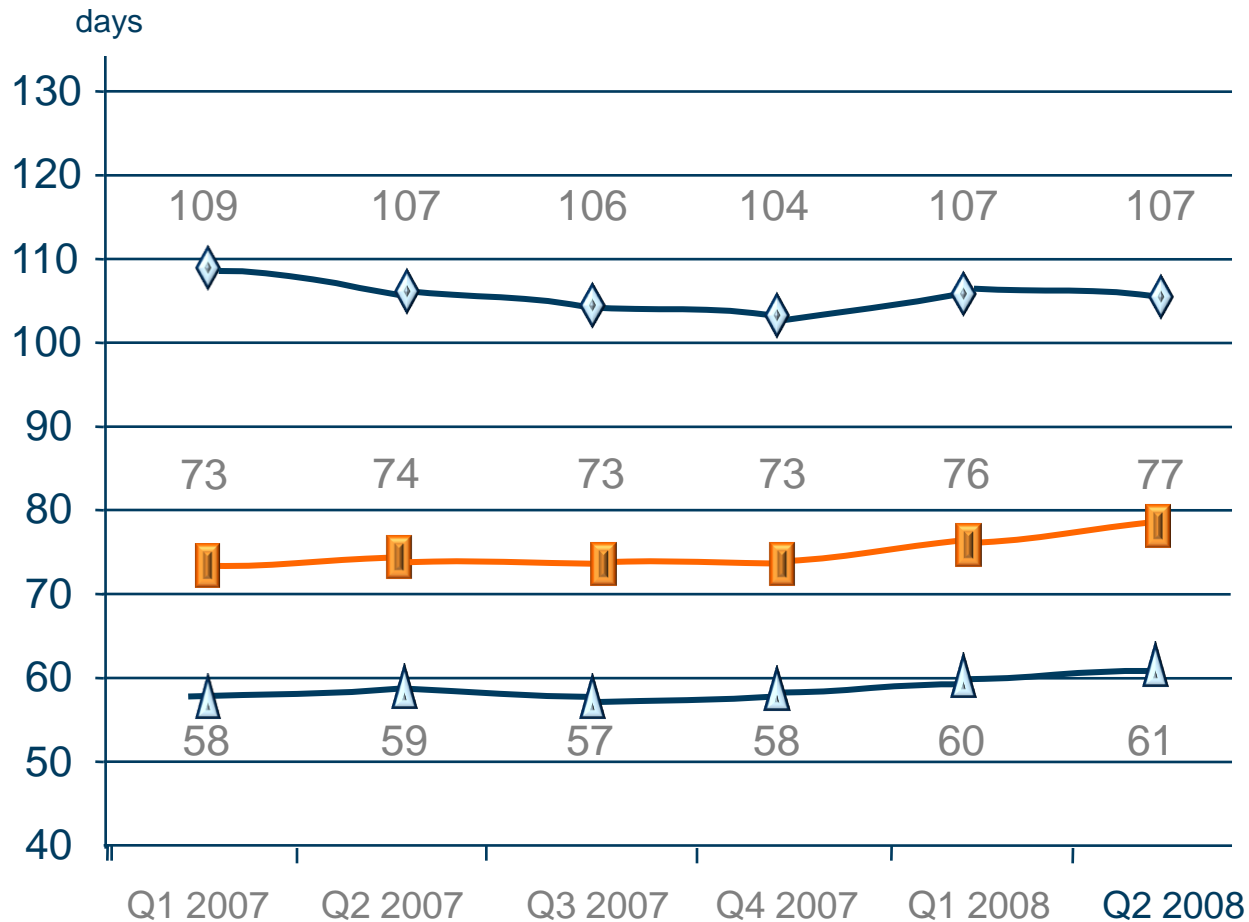
in %



Days Sales Outstanding (DSO)



Overall Slightly Increasing since Beginning of the Year



International

FME Total

North America

Cash Flow



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US-\$ in millions	Q2 2007	Q2 2008	Growth
Net cash provided by operating activities ¹⁾	225	209 8% of revenue	(7%)
Capital expenditures (net) ¹⁾	(130)	(179)	
Free Cash Flow	95	30	(69%)
Acquisitions, net of divestitures ¹⁾	2	(58)	
Free Cash Flow after acquisitions	97	(28)	

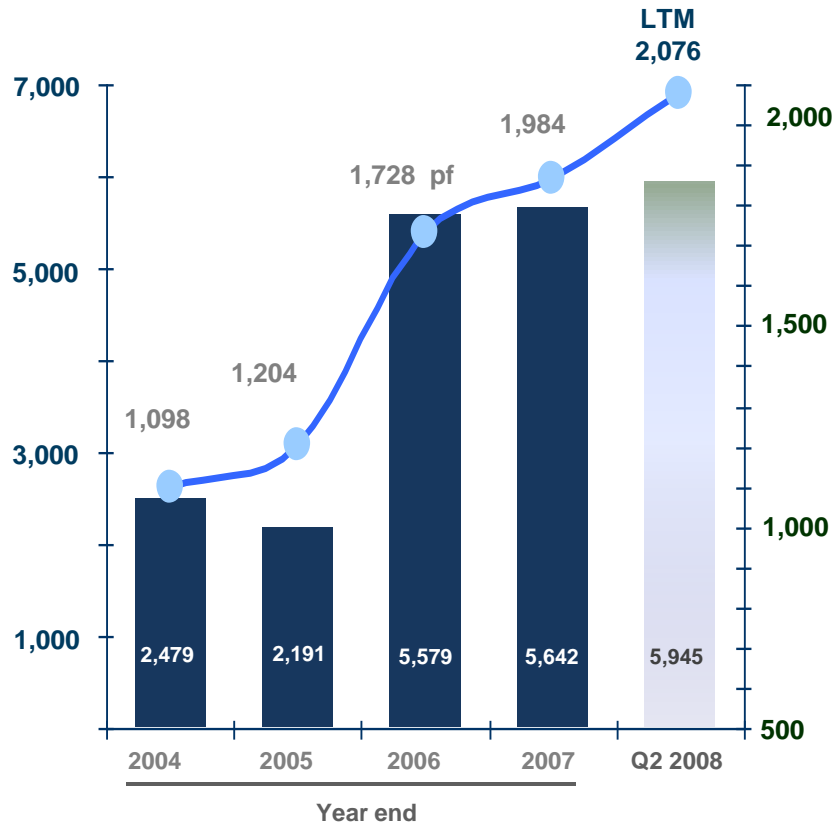
1) A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.



Debt and EBITDA Development

Debt

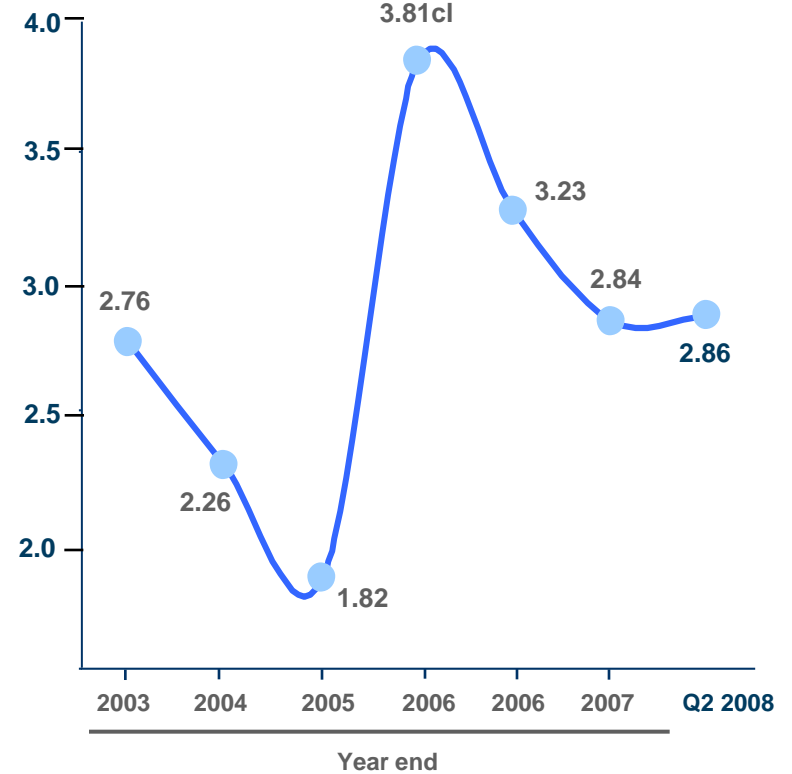
US-\$ in millions



EBITDA *

US-\$ in millions

Leverage Ratio Debt / EBITDA



• including non-cash charges

pf = pro forma excluding restructuring costs, in-process R&D and gain from the sale of dialysis clinics

lrm = last twelve months

cl = closing RCG

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

Outlook 2008 - Confirmed



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US-\$ in millions

Guidance

Net Revenues

> \$ 10,400

Net Income

\$ 805 - 825

Leverage ratio (Debt/EBITDA)

< 2.8

Capital Expenditure

~ \$ 650 - 750

Acquisitions

~ \$ 150 - 250



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





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Dialysis Services - Global



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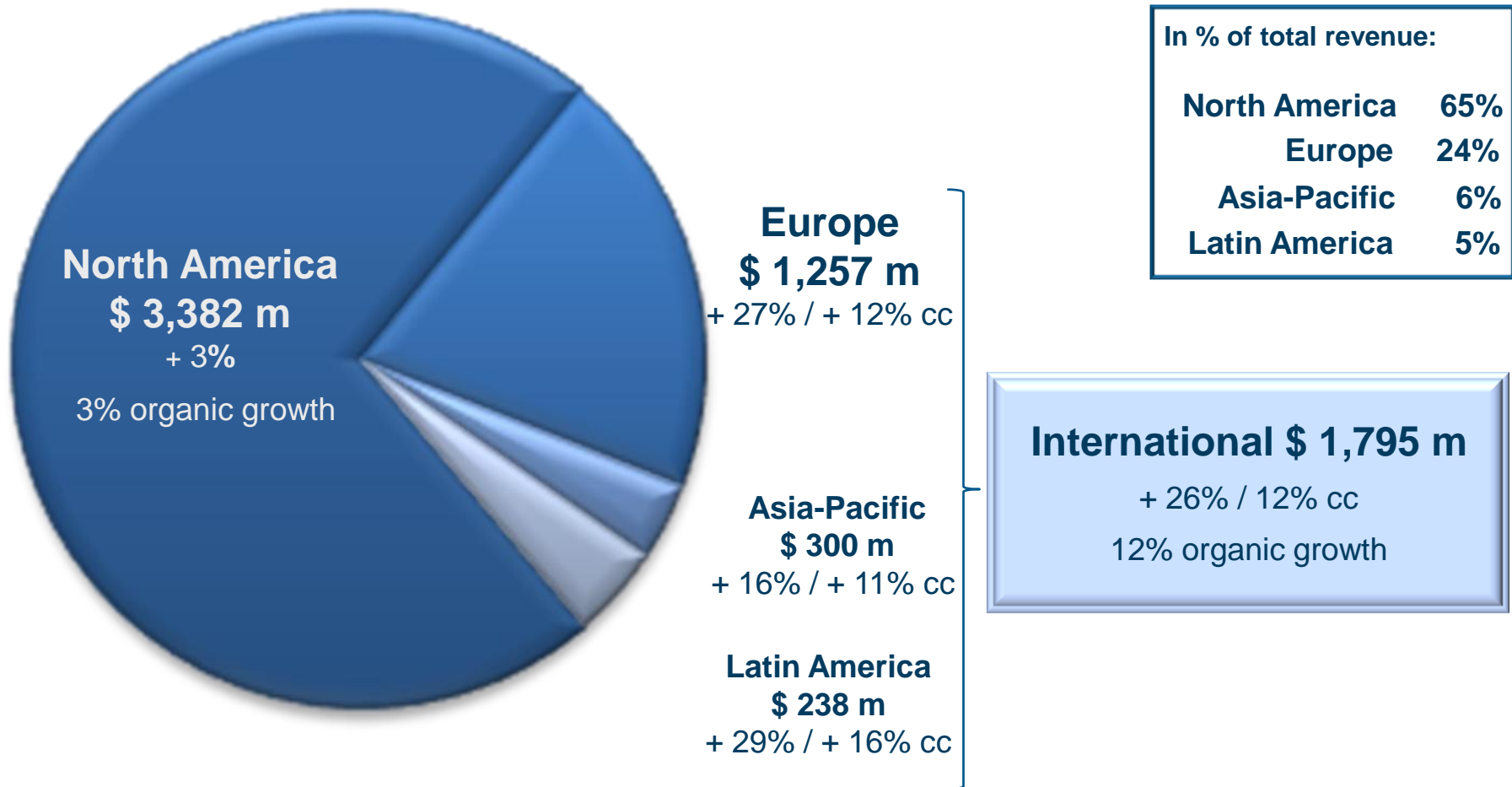
H1 2008	Clinic	Patients	Treatments (in million)
Total	2,318	179,340	13.61
Growth	+ 5%	+ 4%	+ 5%
North America	1,647	123,784	9.39
Growth	+ 4%	+ 3%	+ 3%
International	671	55,556	4.22
Growth	+ 7%	+ 8%	+ 8%
Europe	382	28,799	2.17
Latin America	175	18,404	1.41
Asia-Pacific	114	8,353	0.64

H1 2008 – Strong Organic Growth



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Total Revenue Increased 10% to \$ 5,177 m *



* 6% growth at constant currency (cc)



Accelerated Growth Internationally of 16% cc

US-\$ in millions	H1 2007	H1 2008	Growth	cc
North America	2,983	3,028	2%	
Adjusted for the sale of the perfusion business			3%	
International	573	741	29%	16%
Total	3,556	3,769	6%	4%
Adjusted for the sale of the perfusion business			7%	5%

cc = constant currency

Excellent External Product Revenue Growth

US-\$ in millions	H1 2007	H1 2008	Growth	cc
Total revenue (incl. Internal Revenue)	1,539	1,822	18%	10%
External revenue	1,169	1,408	20%	11%
↳ North America	314	354	13%	13%
↳ International	855	1,054	23%	10%

cc = constant currency

Cash Flow



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US-\$ in millions	H1 2007	H1 2008	Growth
Net cash provided by operating activities ¹⁾	508	401 8% of revenue	(21%)
Capital expenditures (net) ¹⁾	(237)	(332)	
Free Cash Flow	271	69	(75%)
Acquisitions, net of divestitures ¹⁾	(90)	(92)	
Free Cash Flow after acquisitions	181	(23)	

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



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

All numbers are in US-\$ millions

External Revenue	Q2 2008	Q2 2007	growth	cc
International product revenue	638	508	+ 26%	+ 12%
- Internal revenue	(79)	(61)		
= External revenue	559	447	+ 25%	+ 11%
North America product revenue	315	291	+ 8%	
- Internal revenue	(133)	(130)		
= External revenue	182	161	+ 13%	
TOTAL product revenue	953	799	+ 19%	+ 10%
- Internal revenue	(212)	(191)		
= External revenue	741	608	+ 22%	+ 12%
Capital expenditure (net)	H1 2008	H1 2007	Q2 2008	Q2 2007
Purchase of property, plant and equipment	343	249	184	133
- Proceeds from sale of property, plant and equipment	(11)	(12)	(5)	(3)
= Capital expenditure (net)	332	237	179	130

cc = constant currency

Attachment II



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

All numbers are in US-\$ millions

Debt	Q2 2008	FY 2007	FY 2006	FY 2005	FY 2004
Short term borrowings	734	217	331	151	419
+ Short term borrowings from related parties	181	2	5	19	6
+ Current portion of long-term debt and capital lease obligations	151	85	160	126	230
+ Current portion of Trust Preferred Securities	-	670			
+ Long-term debt and capital lease obligations, less current portion	4,183	4,004	3,829	707	545
+ Trust Preferred Securities (net of current portion)	696	664	1,254	1,188	1,279
= Total debt	5,945	5,642	5,579	2,191	2,479

EBITDA	Q2 2008	FY 2007	FY 2006 (pro forma)	FY 2005	FY 2004
Last twelve months operating income (EBIT)	1,642	1,580	1,367	939	852
+ Last twelve months depreciation and amortization	392	363	326	251	233
+ Non-cash charges	42	41	35	14	13
= EBITDA (annualized)	2,076	1,984	1,728	1,204	1,098

Cash Flow	H1 2008	H1 2007	Q2 2008	Q2 2007
Acquisitions and investments and net purchases of intangible assets	(133)	(117)	(60)	(26)
Proceeds from divestitures	41	27	2	28
Acquisitions, net of divestitures	(92)	(90)	(58)	2



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November 4th, 2008

Report Q3/9M 2008

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