

Fresenius Medical Care

The World's Leading Renal Therapy Company

Agenda

- *Business Update*
- *Financials Q1 2003*
- *Outlook*



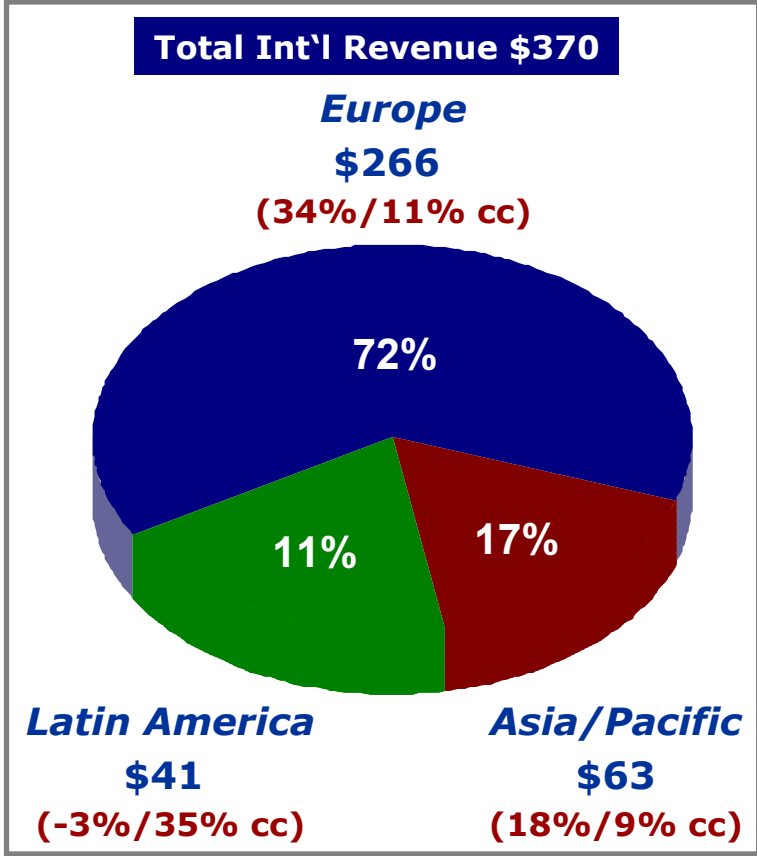
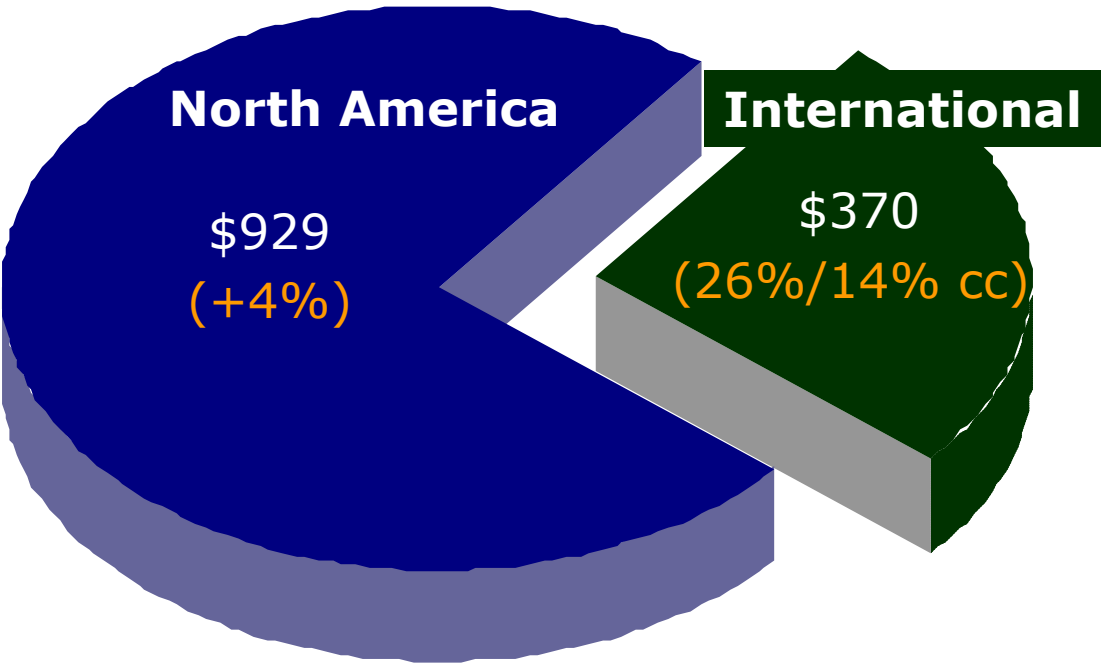
Q1 2003 – Key Issues

- North America: sequential margin increase
- International: above average growth and margin driver; temporary margin pressure due to situation in Middle East, Latin America and Europe
- UltraCare: continued cost benefits in clinics; initiating marketing phase
- Payor litigation: achieved settlement with Connecticut General Life Insurance Company
- Cash Flow: operating and free cash flow at Q1 record levels



Q1 2003 Revenue Growth by Segment

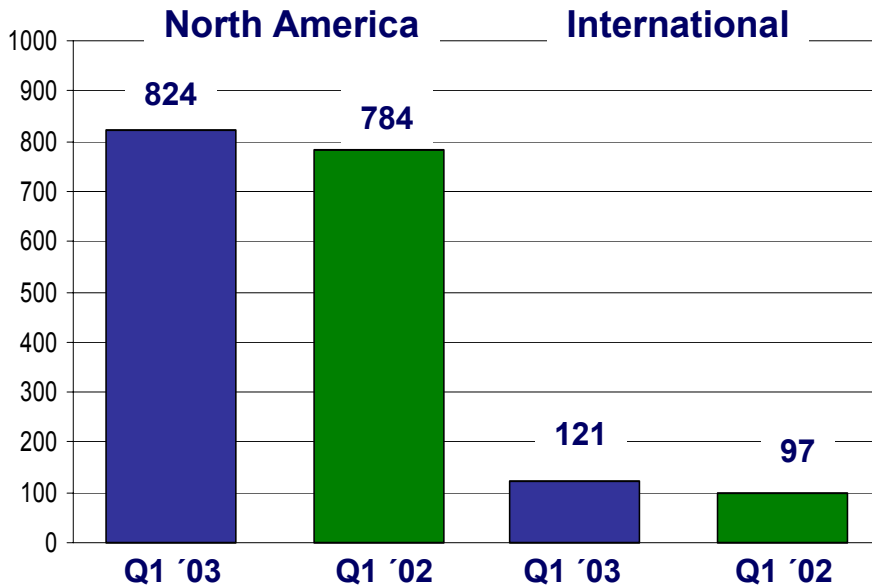
Total revenues \$1,299 million +10% (7% constant currency=cc)



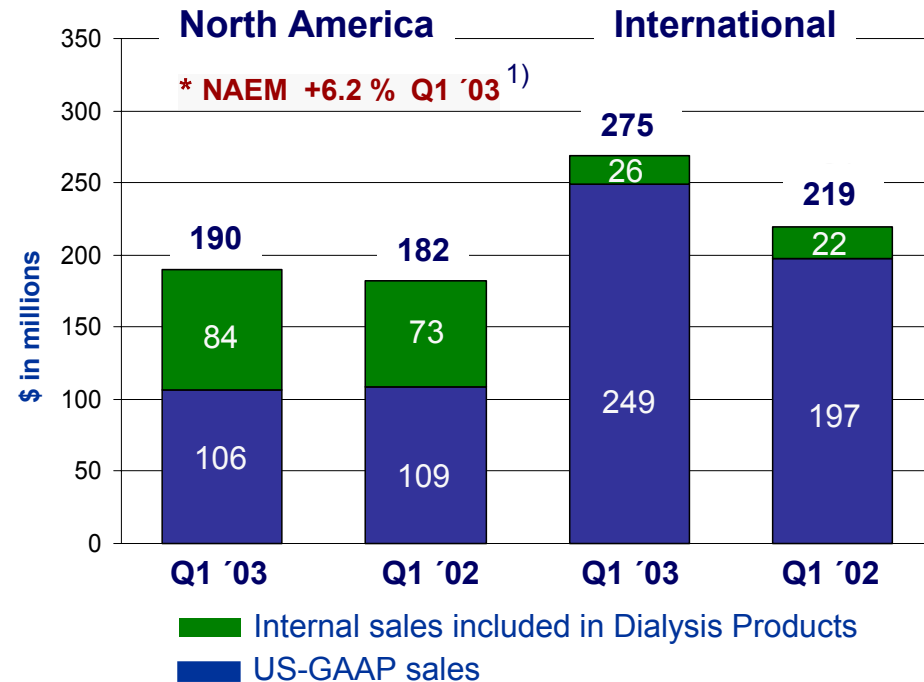
In millions

Revenue by Business Unit Q1 2003

Dialysis Services



Dialysis Products



¹⁾ A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.
 NAEM = Net available external market

Products Update

Dialyzer Shipments

- 2003: synthetic dialyzer production to surpass 50 million units

Machine Unit Shipments:

- International: constrained by low capital availability and political uncertainty
- North America: growth of 9.2% in Q1 2003

PD Shipments

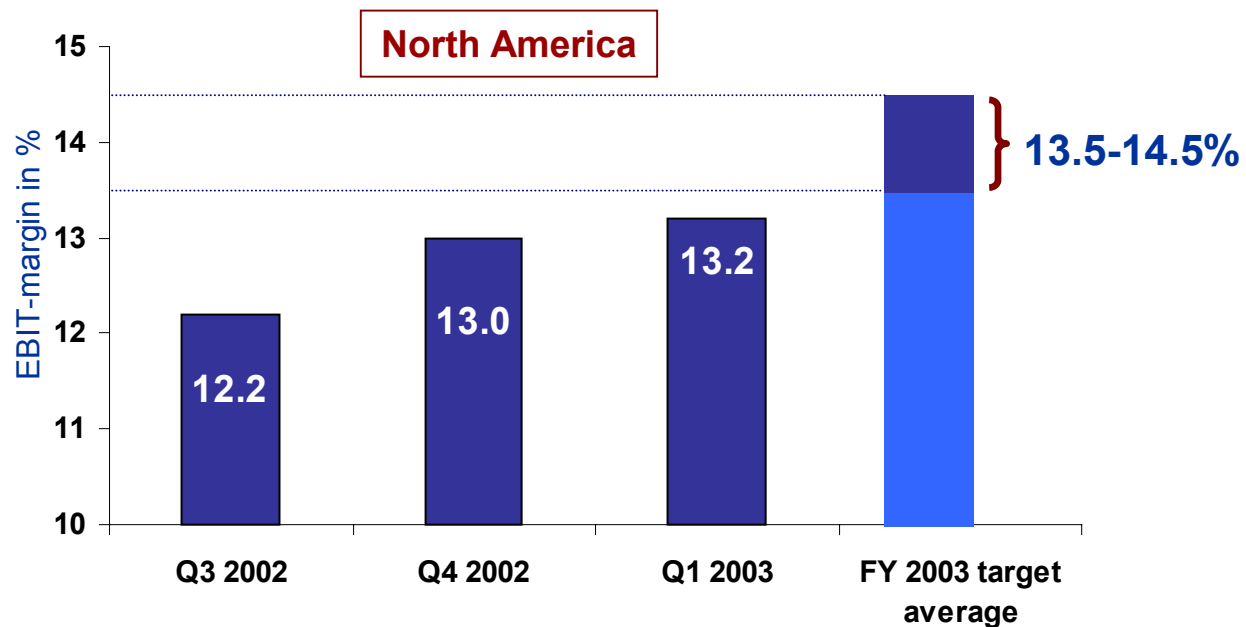
- Q1 2003: Increased worldwide by 19%

Operating Margin North America

Q1 2003

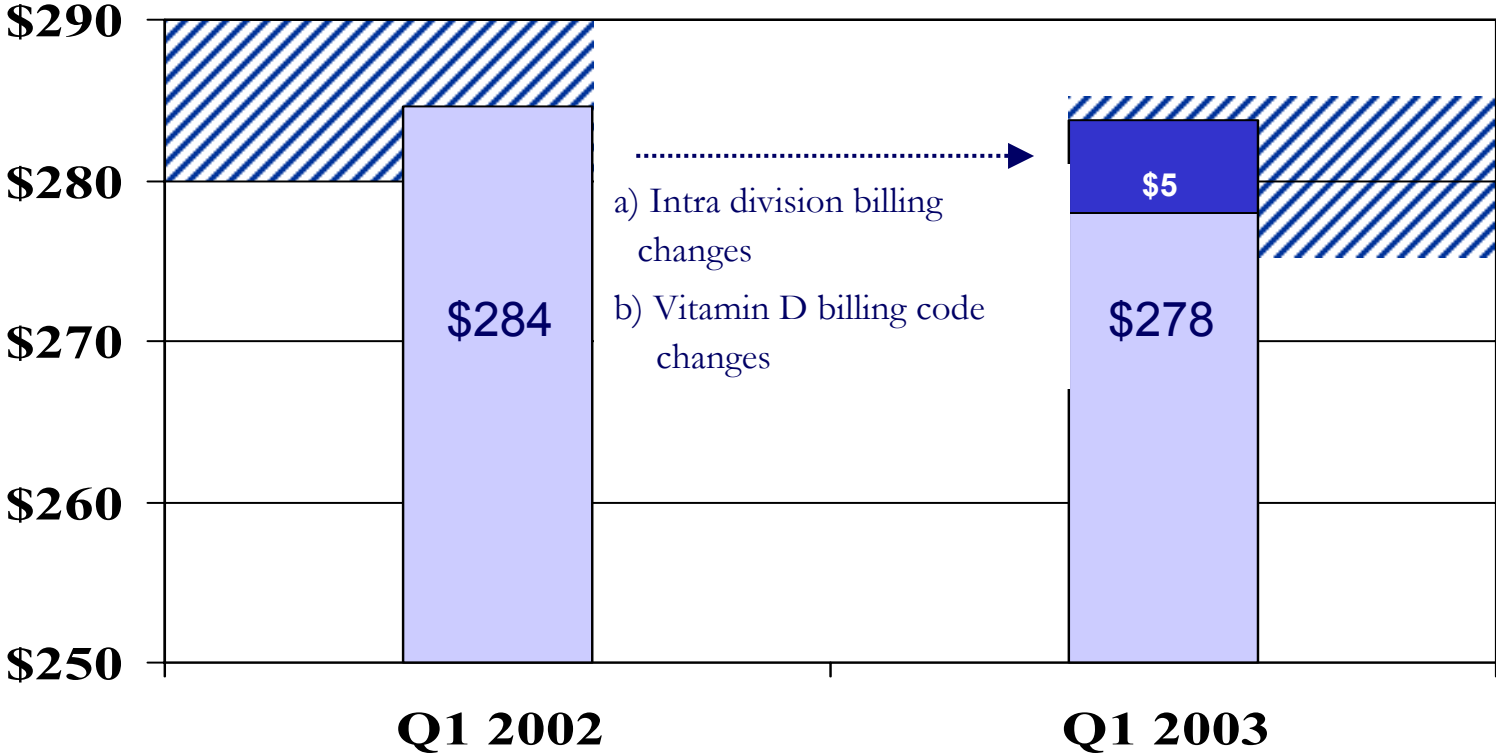
Enhancing North American operating performance

- Labor costs/treatment below prior year level (-3% y-o-y)
- Target margin range achieved when correcting for treatment days



Revenue per Treatment

● Revenue per treatment in the expected range



■ Revenue per treatment including laboratory services

▨ Expected range

UltraCare™ Program

Scientific / Medical

- Independent review of mortality data in process
- Journal publication targeted
- Ongoing tracking of *UltraCare*™ medical outcomes

Clinic-based

- Reaching out to nephrologist and patients through trade journal advertising and information days
- Created “The Center For Leadership & Professional Development” for 1,300 clinical managers, administrators, area managers and RVPs (Customer Service Skills & UltraCare therapy)

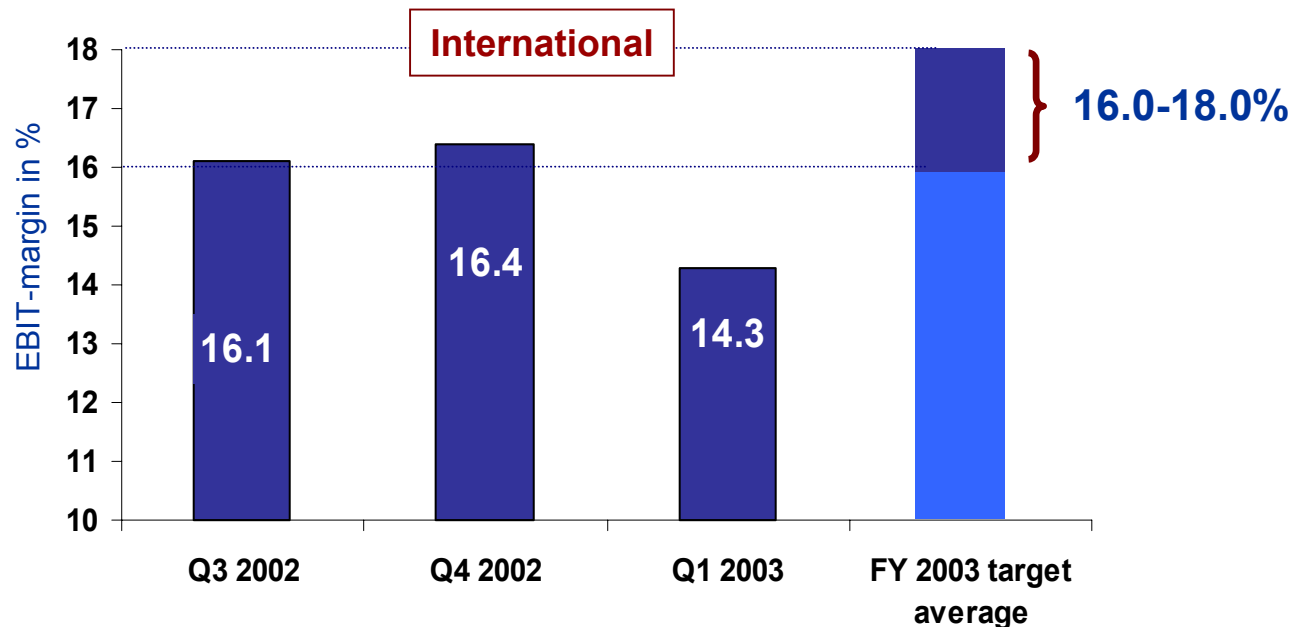


Operating Margin International

Q1 2003

Temporarily below target margin range

- Middle East: slowdown in new orders; delayed shipping for existing orders
- Latin America: situation in Argentina improving; poor market conditions in Brazil, Colombia and Venezuela; start-up costs in Mexico
- Europe: encouraging revenue growth but lower margin



International region remains above-average growth and margin driver



Agenda

- *Financials Q1 2003*

- *Key Figures*
- *Update: Sarbanes Oxley*
- *Financial Outlook*



Financial Highlights Q1 2003

<i>\$ millions</i>	Q1 '03	Q1 '02	% Growth	% Growth constant currency
Net revenue	1,299	1,187	10	7
Operating income (EBIT)	169	174	- 3	- 7
Net income	70	63	+ 10	
EPS per Ord. (\$)	0.72	0.66	+ 10	



Financial Highlights Q1 2003 (adjusted)

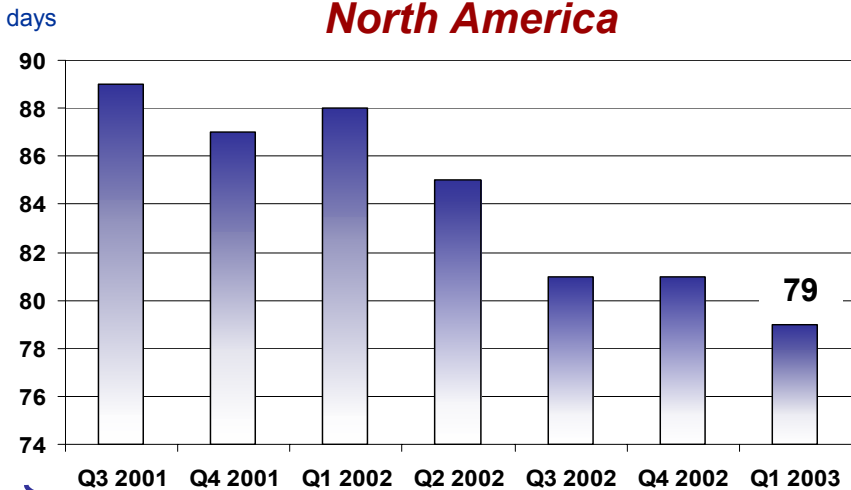
<i>\$ millions</i>	Q1 '03	Q1 '02	% Growth	% Growth constant currency
Net revenue	1,299	1,187	10	7
Operating income (EBIT) <i>(Q1 2002 adjusted for one-time effects)</i>	169	168 ¹⁾	+ 1	- 4
Net income <i>(Q1 2002 prior SFAS 145 and adjusted for one-time effects)</i>	70	71 ¹⁾	- 2	
EPS per Ord. (\$) <i>(Q1 2002 prior SFAS 145 and adjusted for one-time effects)</i>	0.72	0.74 ¹⁾	- 2	

¹⁾ A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment. Before extraordinary redemption cost for Trust Preferred Securities of \$ 12 million after taxes and one-time effects (pension curtailment gain and severances of \$4 million after taxes).

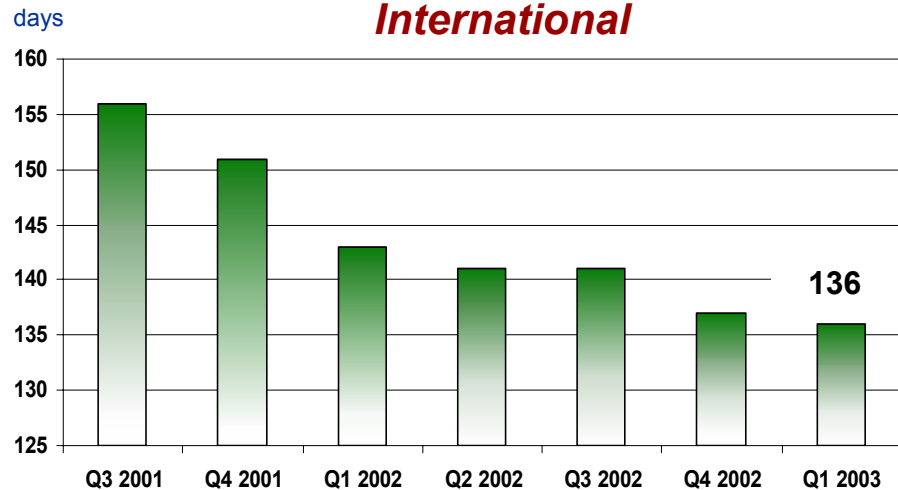


Days Sales Outstanding (DSO)

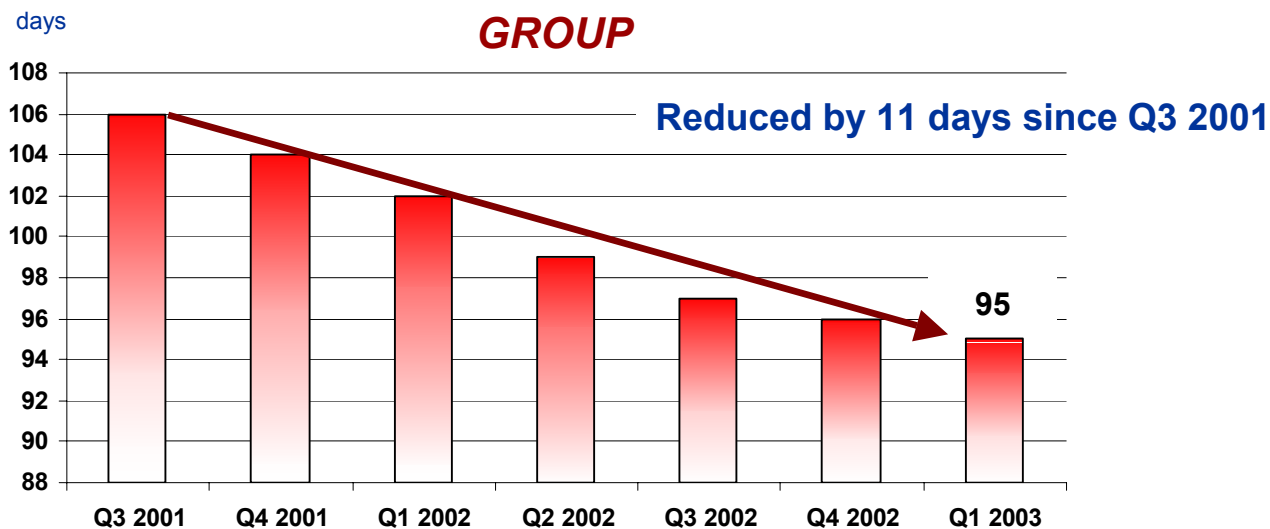
North America



International



GROUP



Cash Flow Q1 2003

<i>in \$ millions</i>	Q1 '03	Q1 '02
<i>Net cash provided by operating activities</i>	125	70
<i>Capital expenditure (net)</i> ¹⁾	(41)	(50)
<i>Free Cash Flow</i>	84	20
<i>Acquisitions</i>	(28)	(9)
<i>Free Cash Flow after acquisitions</i>	56	11

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

Financial Ratio

<i>in \$ millions</i>		Mar. 31, 03
<i>EBITDA</i> ¹⁾		912
<u>Dec. 31, 2002 Debt</u> ¹⁾		2,833
+ <i>CapEx</i> ¹⁾	41	
+ <i>Acquisitions</i>	28	
+ <i>Fx-effects</i>	27	
+ <i>Redemption costs Class D</i>	9	
+ <i>New credit agreement Refinancing costs</i>	17	
+ <i>Others</i>	15	
- <i>Cash from Operations</i>	125	
<u>Mar. 31, 2003 Debt</u>		2,845
<i>Total debt / EBITDA</i>		3.12

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

Sarbanes-Oxley

- Anticipating full compliance with Sarbanes-Oxley requirements for domestic US firms
- Established Audit Committee
- Created Corporate Governance update section on our web-page



Confirmed Financial Outlook 2003

Revenue growth (constant currency)

Net income growth ¹⁾
expected at lower end of range

Capital expenditure ¹⁾

Acquisitions

Mid single digit

High single /
low double digits

~ \$220 m

< \$100 m

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



Attachment I

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

EBITDA

in \$ millions	Q1 '03
Last twelve months Operating income (EBIT)	690
+ Last twelve months depreciation and amortization	212
+ Non-cash charges	10
= EBITDA	912

Net income growth

in \$ millions	FY 2002
Net income	290
+ Loss from early redemption of Trust Preferred Securities	12
= Net income prior SFAS 145 (basis for guidance)	302

Capital expenditure (net)

in \$ millions	Q1 '03	Q1 '02
Purchase of property, plant and equipment	44	55
- Proceeds from sale of property, plant and equipment	(3)	(5)
= Capital expenditure (net)	41	50

Attachment II

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

Debt

in \$ millions	March 31, 2003
Short term borrowings	117
+ Current portion of long-term debt and capital lease obligations	23
+ Long-term debt and capital lease obligations, less current portion	1,229
+ Trust Preferred Securities	1,164
+ Accounts receivable securitization program	312
Total debt	2,845

Net available external market (NAEM)

in \$ millions	Q1 '03	Q1 '02
External dialysis product sales	106	109
- Sales to other vertically integrated dialysis companies	(3)	(3)
- Sales to leasing company of dialysis machines leased back	(8)	(7)
- Method II and other	-	(10)
= Dialysis product sales to available external market (NAEM)	95	89

Attachment III

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

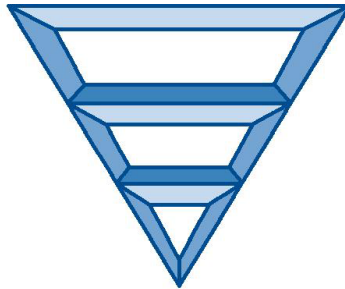
Q1 2002: Adjusted EBIT, net income, EPS

in \$ millions	US-GAAP	Loss from early redemption of trust preferred securities	One-time effects (pension curtailment gain and severances)	Adjusted
Operating Income (EBIT)	174		-6	168
Interest expenses	-75	+20		-55
Interest income	+2	-		+2
Interest expenses, net	-73	+20		-53
Earnings before taxes	101	+20	-6	115
Income tax expenses	-37	-8	+2	-43
Minority interest	-1			-1
Net income	63	+12	-4	71
Earnings per share (EPS)	0.66	+ 0.12	- 0.04	0.74

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 Securities and Exchange Commission and the German Exchange Commission „Deutsche Börse“.





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