



Fresenius Medical Care

The World's Leading Renal Therapy Company



First Quarter 2004 Presentation, May 6, 2004

Agenda

I. Business Update & Outlook 2004

- Q1 2004 performance
- Dialysis services
- Dialysis products
- Achievements
- Outlook

II. Financials Q1 2004



Strong performance – Q1 2004



▪ Net revenue	\$ 1,459 m	+ 12%
		8% cc

▪ Operating income (EBIT)	\$ 198 m	+ 17%
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Margin	13.6%
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▪ Net income	\$ 91 m	+ 30%
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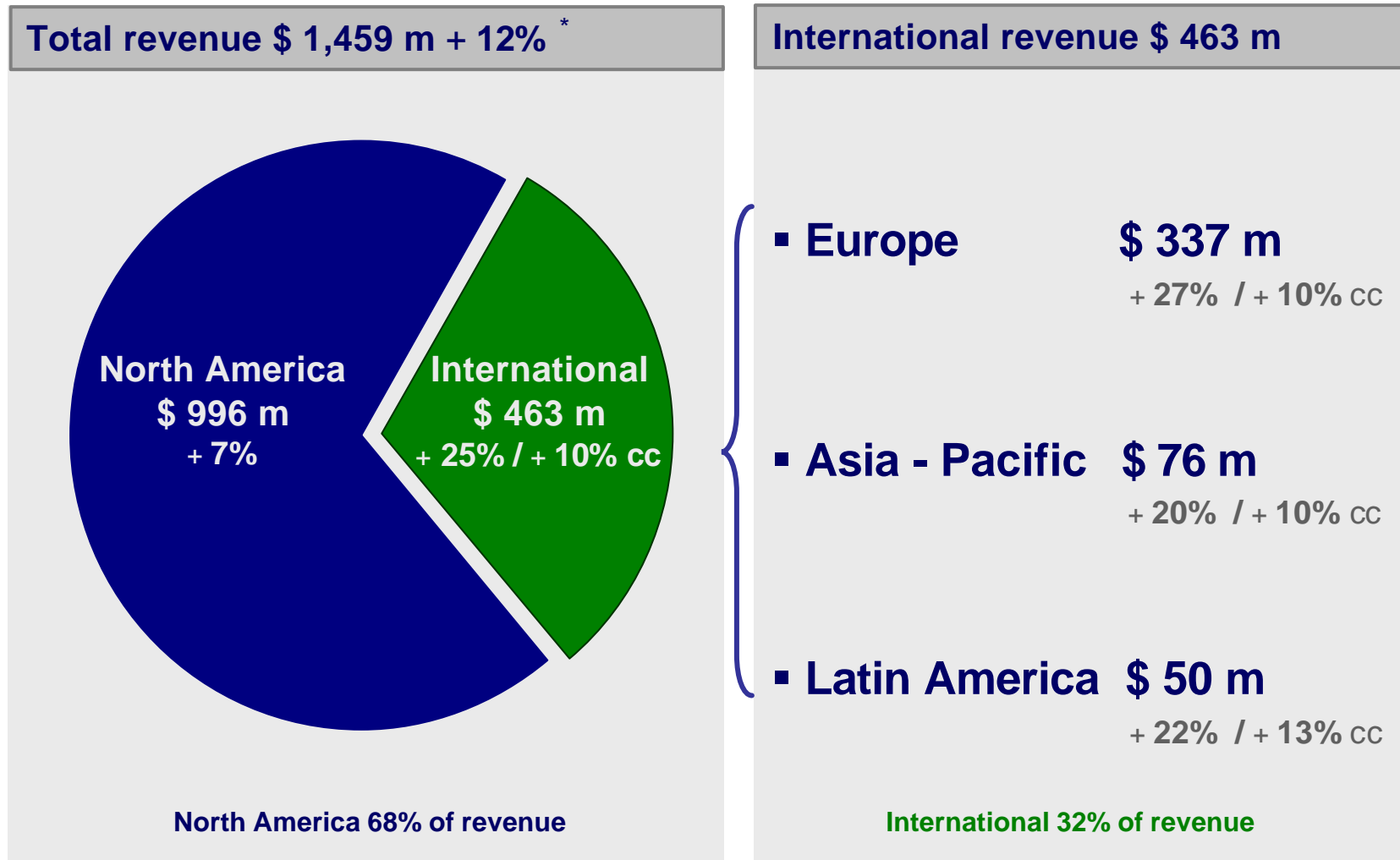
Margin	6.2%
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▪ Free Cash Flow	\$ 130 m	+ 55%
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In % of total sales	8.9%
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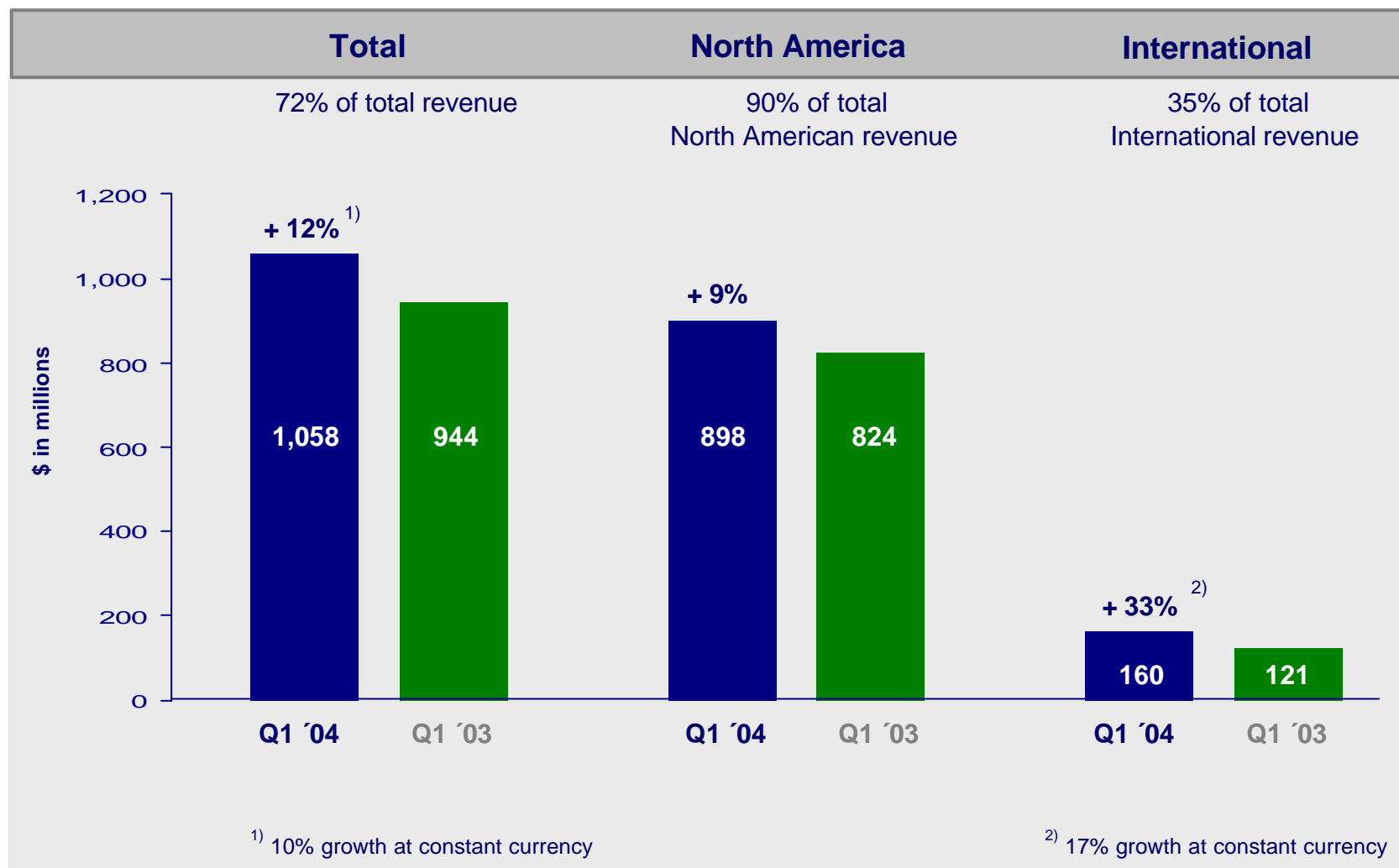
cc = constant currency

Strong revenue growth by segment in Q1 2004



* 8% growth at constant currency (cc)

Dialysis services Q1 2004



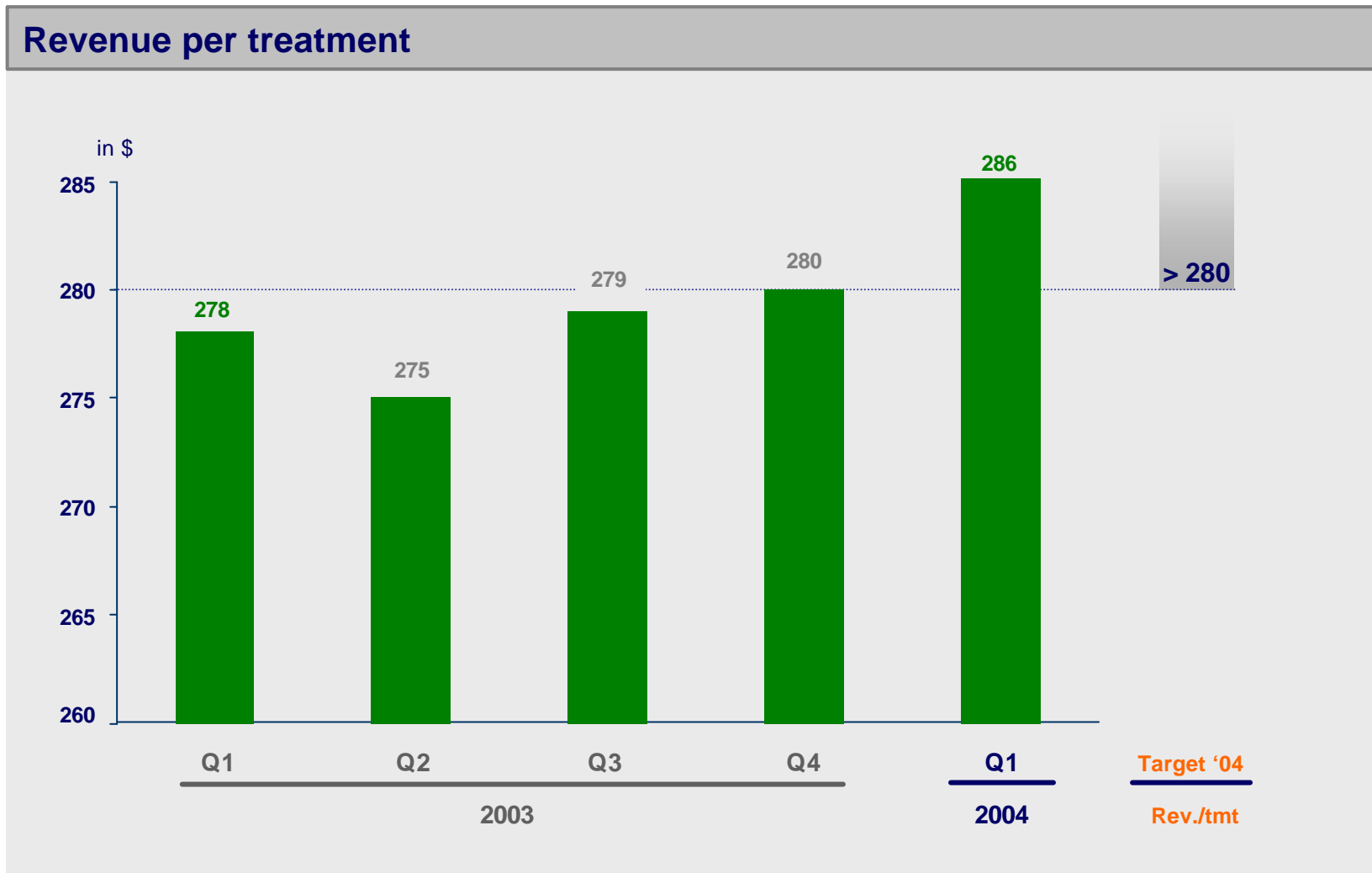
Dialysis services Q1 2004

	Total	North America	International
Revenue growth	+ 12% ¹⁾	+ 9%	+ 33% ²⁾
Organic revenue growth	+ 9%	+ 8%	+ 11%
Same store treatment growth	+ 4%	+ 3%	+ 7%
Revenue per treatment	\$231	\$286	\$113
Treatments (in million)	4.57	3.15	1.42
Growth	+ 8%	+ 6%	+ 12%

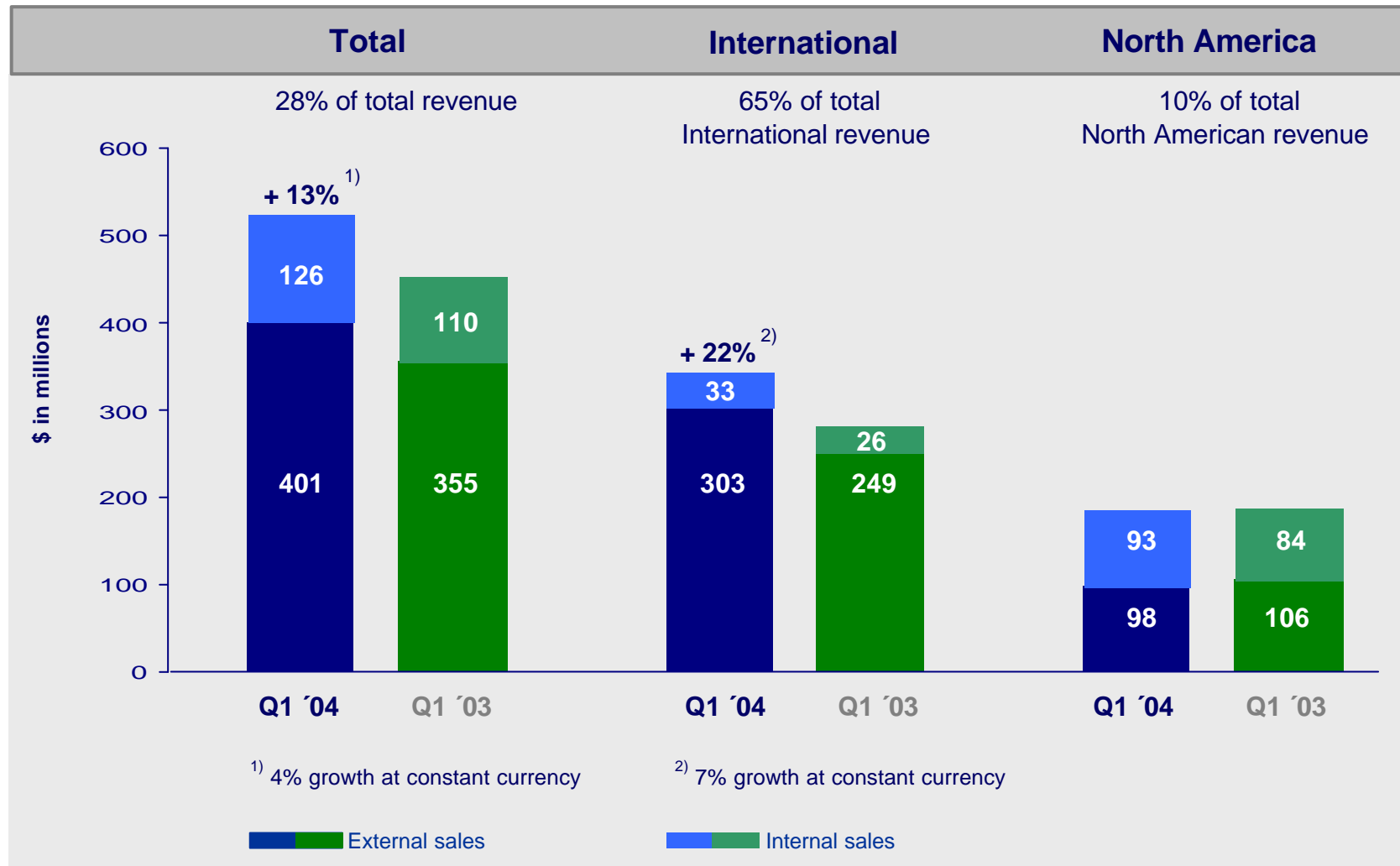
¹⁾ 10% growth at constant currency ²⁾ 17% growth at constant currency

- Focus on organic growth and revenue per treatment

North America – revenue per treatment on track



Dialysis products Q1 2004



Dialysis products Q1 2004

North America – focus on margin optimisation	
Net available external market revenue growth *	+ 1%
<ul style="list-style-type: none"> ▪ Machines & Dialyzers ▪ Single-use dialyzers (units) ▪ Peritoneal Dialysis 	<ul style="list-style-type: none"> + 6% +14% + 16%
Market share	~ 60%
<ul style="list-style-type: none"> ▪ Machines ▪ Single Use Dialyzers ▪ Peritoneal Dialysis 	<ul style="list-style-type: none"> ~ 70% ~ 66% ~ 28%

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

Key highlights – Q1 2004

International

- **Continued solid product business growth in line with market growth driven by sales of disposables**
 - Revenue growth in Haemodialysis + 18%
 - Revenue growth in Peritoneal Dialysis + 26%
- **For first time 15,000+ patients in Latin America**
- **Reimbursement increase in Turkey**
- **Continued strong cash collection**



Achievements – Q1 2004

Excellent performance in all key metrics

- **Strong operational performance worldwide**
- **Very good top and bottom line growth**
- **Strong quarterly cash flow generation worldwide**
- **Good revenue per treatment development in North America**
- **First quarter ahead of expectations**



Outlook 2004

Ahead of targets for 2004

- **UltraCare certification at local level on track**
- **Reimbursement environment worldwide – stable to improving**
- **Decentralized and established manufacturing – moderate currency impact**
- **Expect net income to be on the high end of guidance**



Agenda

I. Business Update

II. Financials Q1 2004

- Profit & Loss
- Margin development
- Days Sales Outstanding (DSO)
- Cash Flow
- Financial ratios
- Outlook

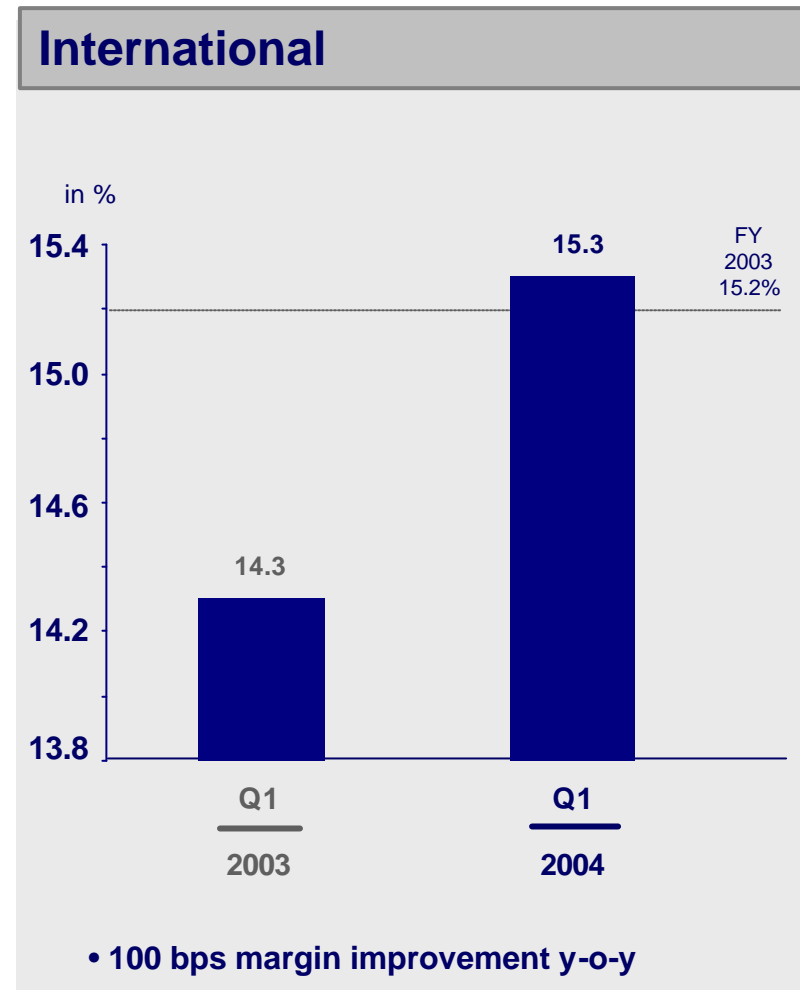
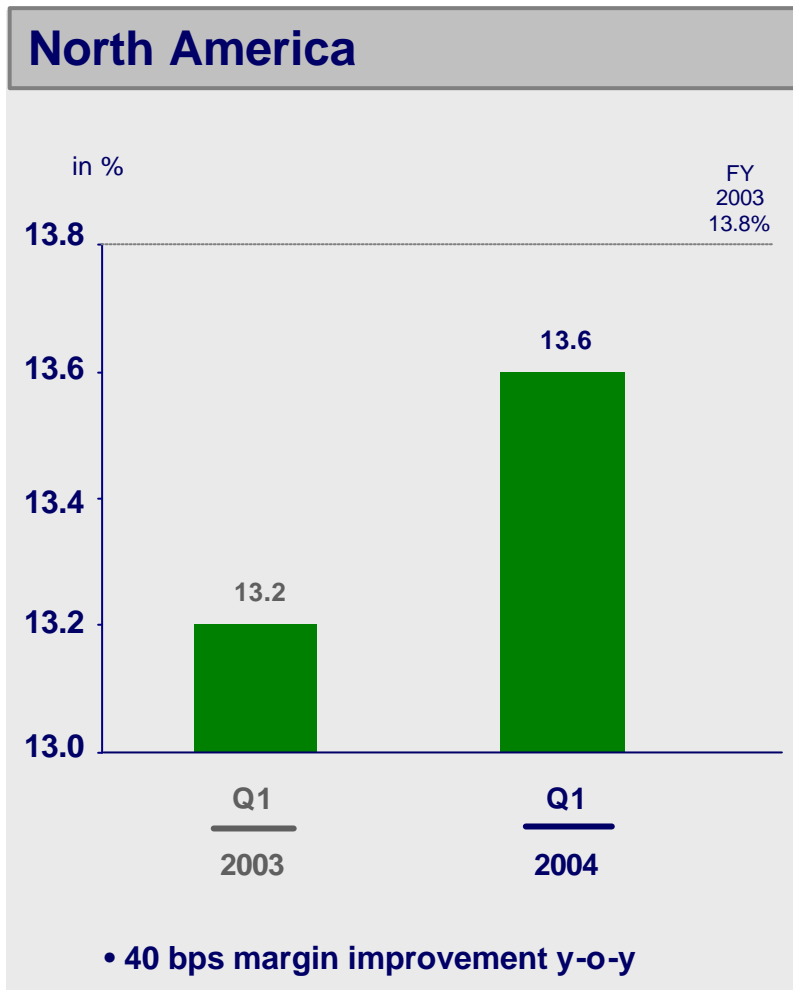


Strong top and bottom line growth

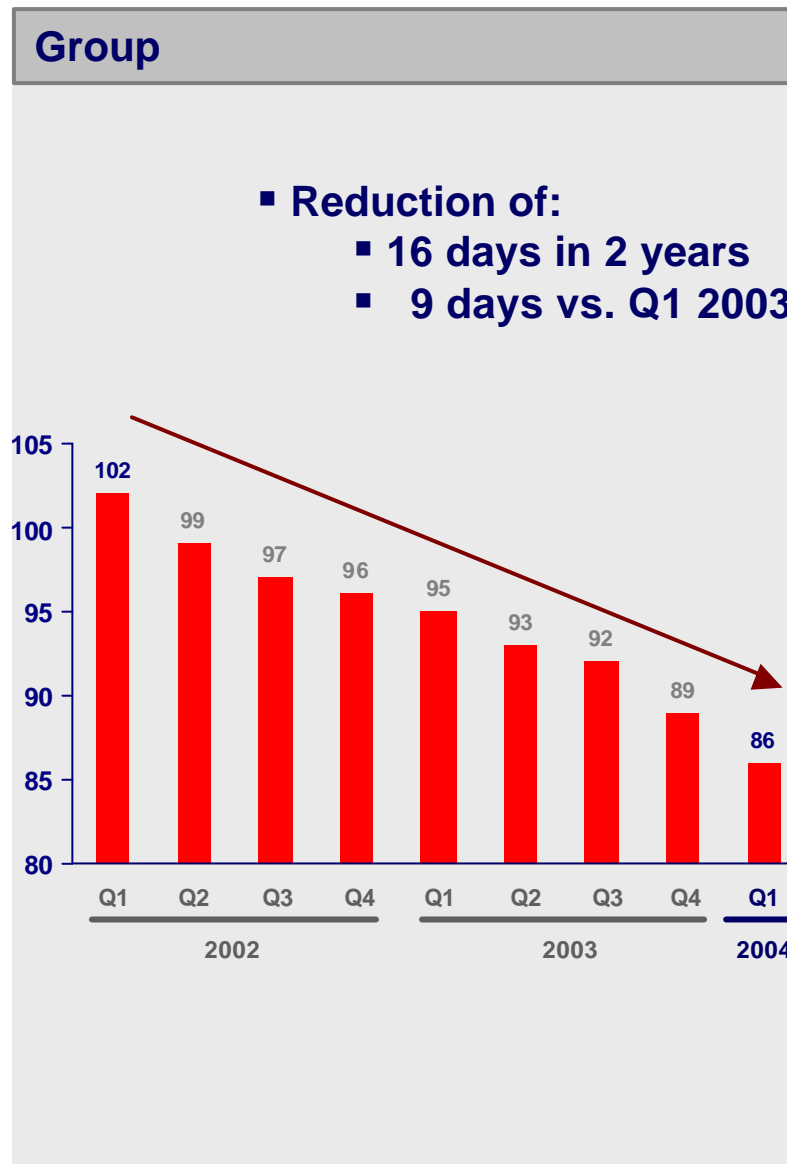
\$ in millions	Q1 2004	Q1 2003	%
Net revenue	1,459	1,299	+ 12 [*]
Operating income (EBIT)	198	169	+ 17
EBIT margin in %	13.6	13.0	
Net income	91	70	+ 30
EPS per ordinary shares (\$)	0.94	0.72	+ 30

* 8% growth at constant currency

EBIT- margin improvement



Days Sales Outstanding (DSO) – impressive development



Cash Flow – strong performance

\$ in millions	Q1 2004	Q1 2003	%
Net cash provided by operating activities	171	125	+ 37
Capital expenditures (net) ¹⁾	(41)	(41)	
Free Cash Flow	130	84	+ 55
Acquisitions	(42)	(28)	
Free Cash Flow after acquisitions	88	56	+ 57

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

Financial ratio – continued improvement

\$ in millions	March 31, 2004	December 31, 2003
EBITDA (annualized) ¹⁾	1,020	986
Dec. 31, 2003 Debt ¹⁾	2,722	
+ CapEx ¹⁾	41	
+ Acquisitions	42	
- FX-debt translation effects	21	
+ Others	38	
- Cash from operating activities	171	
March 31, 2004 Debt ¹⁾	2,651	2,722
Total debt / EBITDA	2.60	2.76

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

Outlook 2004

	Original guidance	Q1 2004	Outlook
Net revenue (at constant currency)	mid single digit	+ 8%	confirm
Net income	high single / low double	+ 30%	high end

Capital expenditure	~ \$ 250 m	\$ 41 m	confirm
Acquisition budget	~ \$ 100 m	\$ 42 m	confirm



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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Attachment I

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

All numbers are in \$ millions

Capital expenditure (net)	Q1 2004	Q1 2003
Purchase of property, plant and equipment	43	44
- Proceeds from sale of property, plant and equipment	(2)	(3)
= Capital expenditure (net)	41	41

Debt	March 31, 2004	Dec. 31, 2003
Short term borrowings (incl. A/R program) *	146	90
+ Short term borrowings from related parties	80	30
+ Current portion of long-term debt and capital lease obligations	117	90
+ Long-term debt and capital lease obligations, less current portion	1,079	1,112
+ Trust Preferred Securities	1,229	1,242
+ Accounts receivable securitization program	0	158
Total debt	2,651	2,722

EBITDA	Q1 2004	Q4 2003
Last twelve months operating income (EBIT)	787	757
+ Last twelve months depreciation and amortization	220	217
+ Non-cash charges	13	12
= EBITDA (annualized)	1,020	986

* A/R securitization program off-balance sheet in 2003 and included in short term borrowings in 2004

Attachment II

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

All numbers are in \$ millions

External Revenue	Q1 2004	Q1 2003	growth	constant currency
International product revenue	336	275	+22%	+7%
- Internal revenue	(33)	(26)	+28%	+13%
= External revenue	303	249	+22%	+7%
North America product revenue	191	190	+0%	
- Internal revenue	(93)	(84)	+9%	
= External revenue	98	106	-7%	

Net available external market (NAEM) – North America	Q1 2004	Q1 2003
External dialysis product revenue	98	106
Sales to other vertically integrated dialysis providers and to leasing companies	(1)	(11)
Adsorber business revenue	(1)	-
Dialysis product sales to net available external market	96	95





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