



Fresenius Medical Care

The World's Leading Renal Therapy Company

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.



Agenda - Fourth Quarter / Full year 2001

- *Business Update and Accomplishments*
- *Financials FY 2001 and Fourth quarter 2001*
- *Outlook for 2002 / 2003*



1996 NMC Merger Related Legal Matters

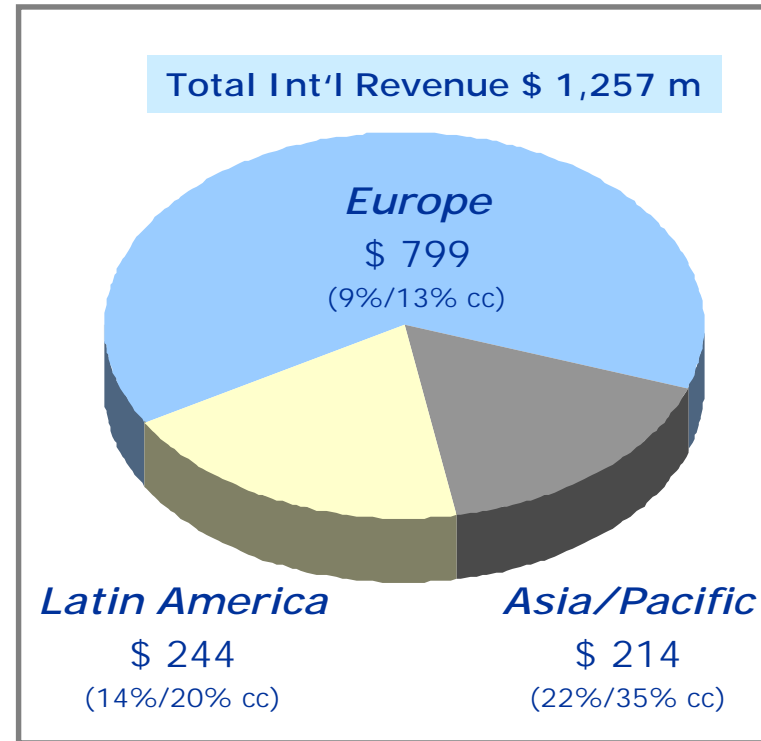
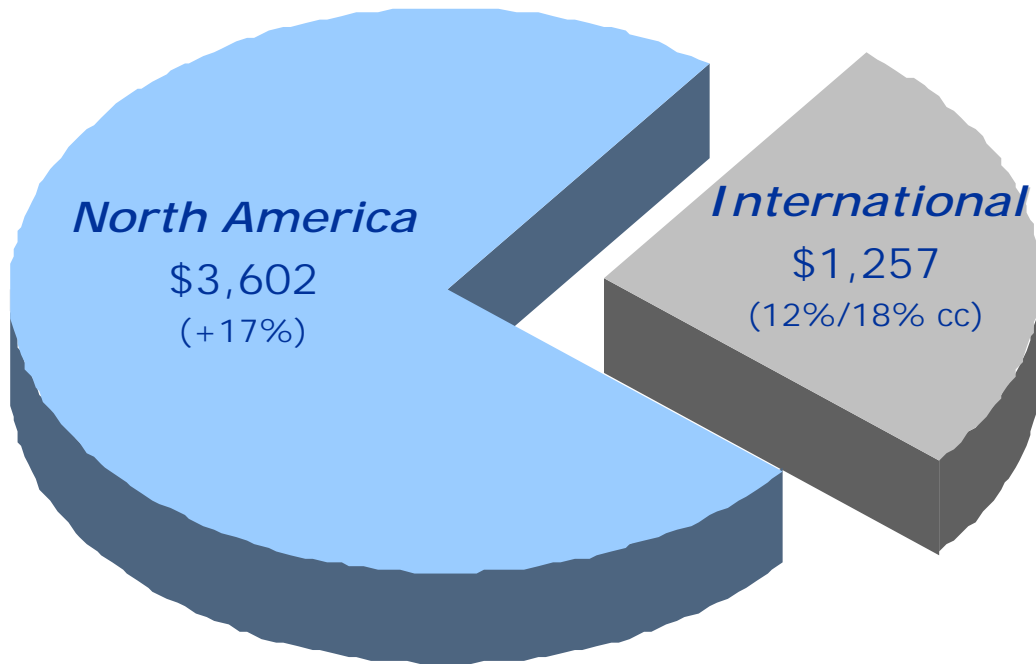
Accrual in 2001: Financially Resolved

- Commercial Litigation
 - Agreement in principle with Aetna
 - Reserve to cover all litigations
 - OBRA 93
- W.R. Grace Chapter 11/Indemnities
 - Pre 1996 Grace obligations
 - FMC to vigorously enforce valid indemnification



2001 Revenue Growth by Segment

Total revenues \$ 4,859 million +16% (17% constant currency=cc)



In \$ millions



Achievements 2001 – North America

Patient Care

- 11.2 million treatments performed (+16%)
- US\$ 282 revenue per treatment (incl. Laboratory)
- 6% same store treatment growth
- 10% same store revenue growth
- 58 de novo clinics opened

Products

- 5% revenue growth
- Strong acceptance of new products (Optiflux dialyzer / 2008K)
- Increased Ogden dialyzer capacity by 60%



Achievements 2001 – International

Patient Care

- 4.1 million treatments performed (+24%)
- US\$ 104 revenue per treatment
- 12% same store treatment growth
- 13% same store revenue growth(constant currency)
- 16 de novo clinics opened

Products

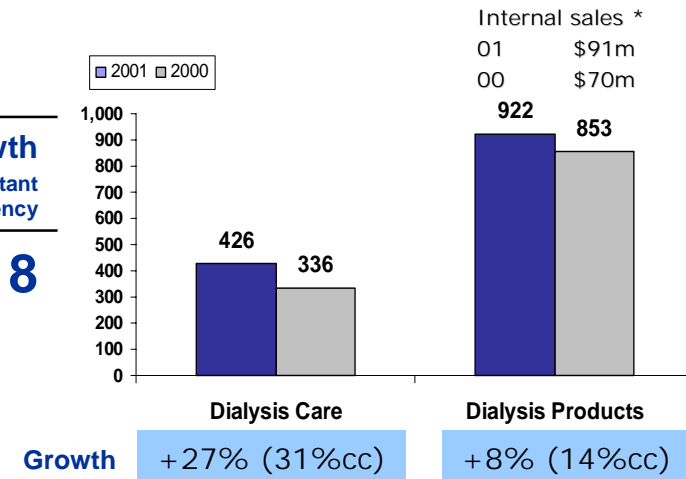
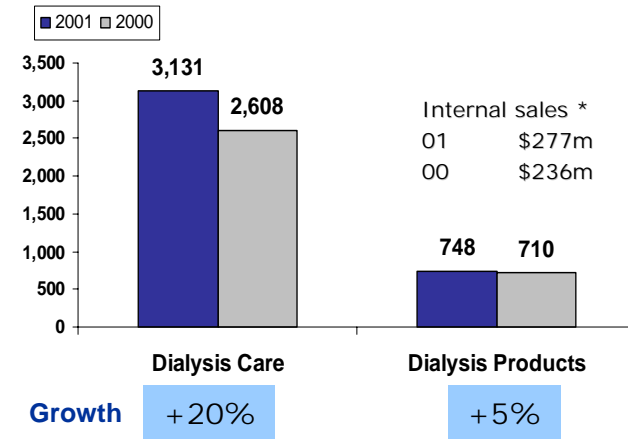
- 14% revenue growth (constant currency)
- Successful launch of new products (FX-class, Multifiltrate for acute dialysis)



Revenue by Segment – Full Year 2001

<i>\$ millions</i>	FY 01	FY 00	% Growth
North America	3,602	3,082	17

<i>\$ millions</i>	FY 01	FY 00	% Growth	% Growth Constant currency
International	1,257	1,120	12	18

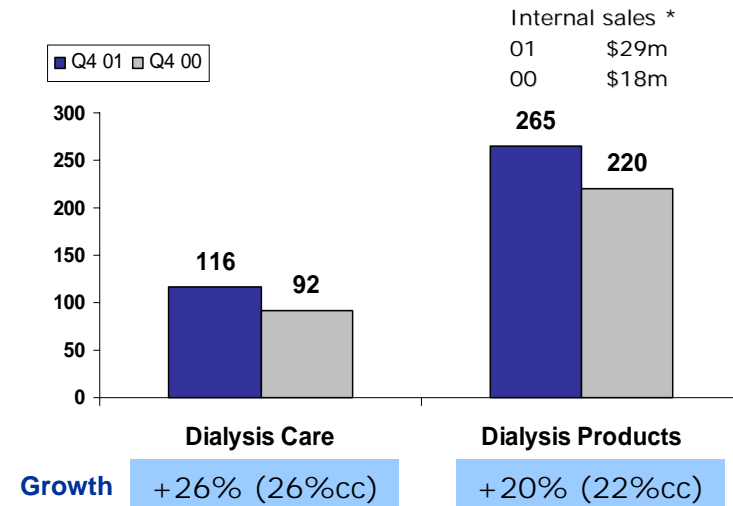
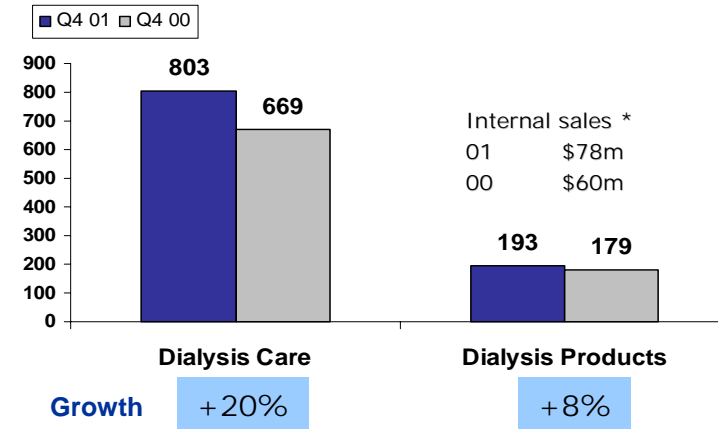


* Internal sales included in Dialysis Products

cc = constant currency

Revenue by Segment – Q4 2001

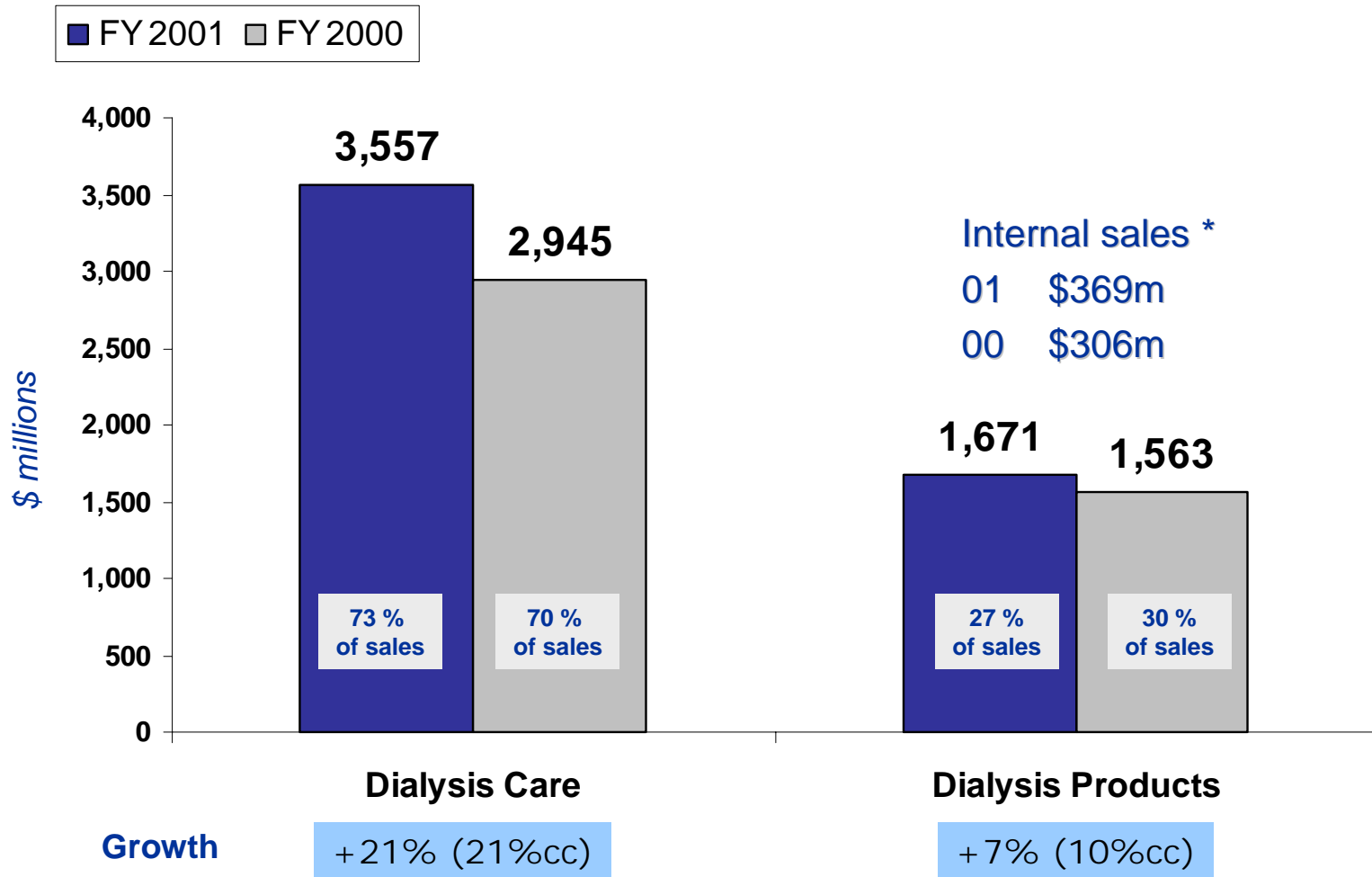
<i>\$ millions</i>	Q4 01	Q4 00	% Growth
North America	918	788	17
<i>\$ millions</i>	Q4 01	Q4 00	% Growth
International	352	294	20



* Internal sales included in Dialysis Products

cc = constant currency

Revenue Cross segments FY 2001

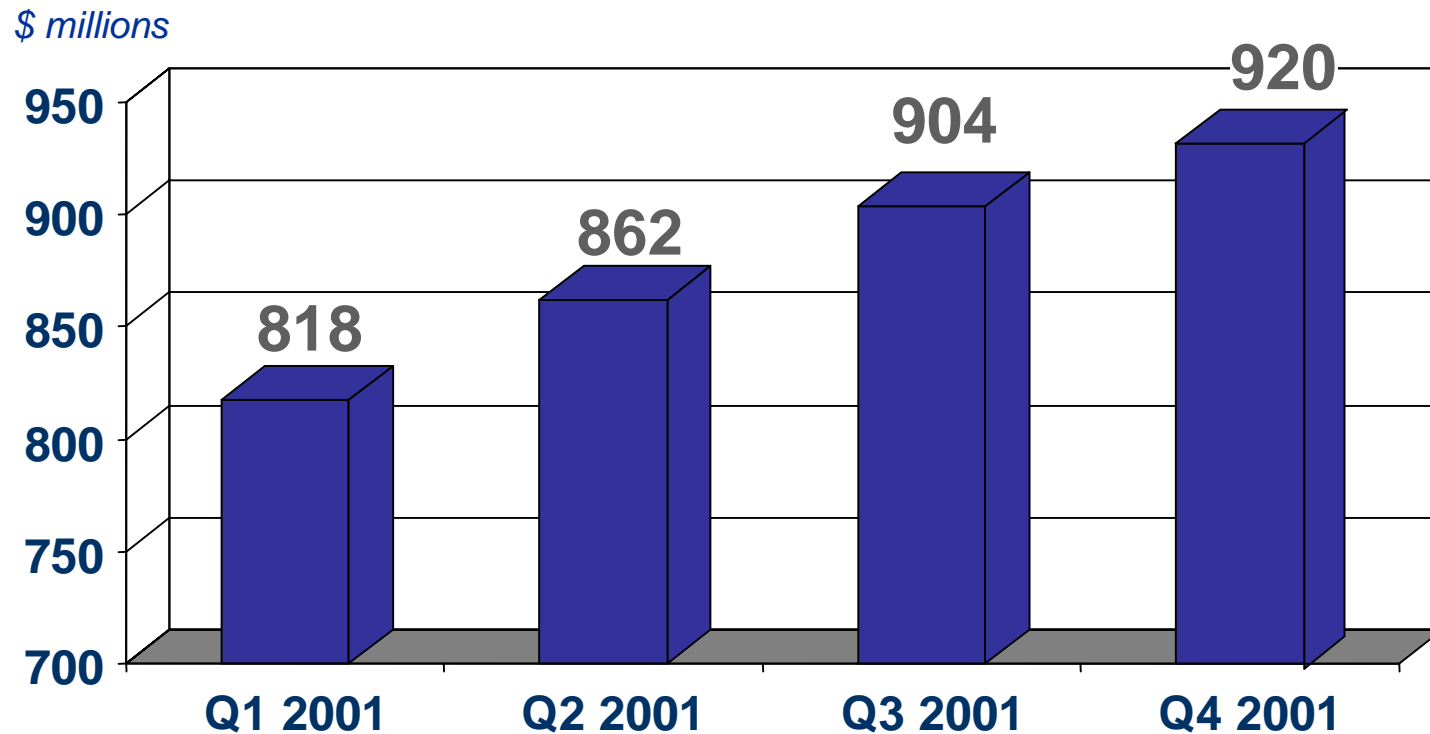


* Internal sales included in Dialysis Products

cc = constant currency

FY 2001 Cash Collection Development - North America

Strong Cash Collections

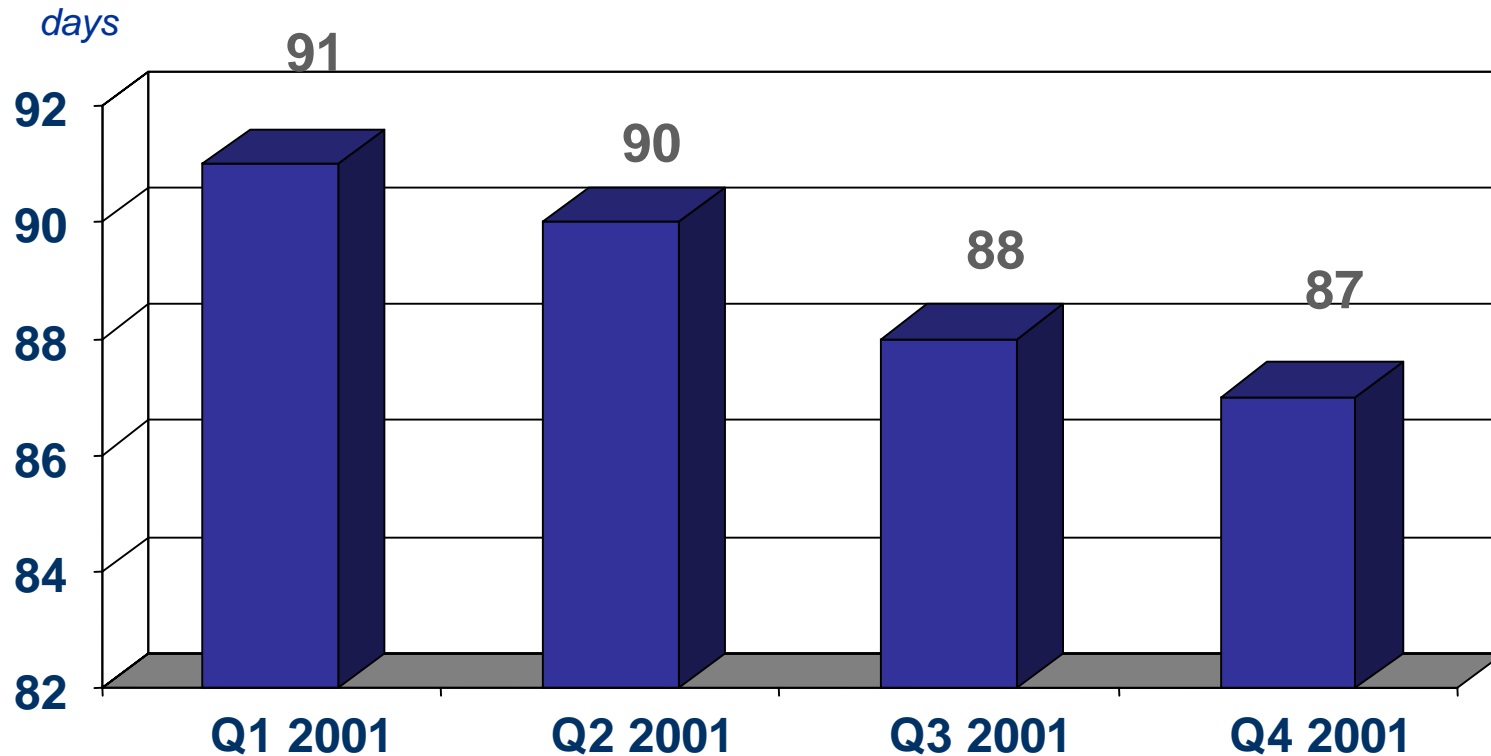


FMC NA is primary source of Cash Flow for FMC AG



FY 2001 DSO Development - North America

Solid and Stable Receivable Position



DSO = days of sales outstanding

Q4 2001 – North America Developments

Temporary negative Impact on Margin

- **Dialyzer Manufacturing**
- Ogden Phase 1 Start up (+ 60%)



Solution

**Ahead of schedule / running well
Phase 2 start up (Q4 2002)**

- **UltraCare online NR (Single Use Dialyzers)**
- Strong demand



**Cost improvements
under way**

- **Higher Personnel Expenses (Benefits)**



**Profit sharing Plan
DSM for FMC Employees**

- **Safety Needle Law Compliance**
(EPO Administration)



**Redesign Blood circuit to
eliminate Safety Needle**

- **Facility Lease Expense**
- De Novo Certification Timing



Increase Facility Utilization



Agenda - Fourth Quarter / Full year 2001

- *Financials 2001*
 - Highlights FY 2001 and Fourth quarter 2001



Financial Highlights FY 2001

Excluding special charge and related costs

<i>\$ millions</i>	FY 01	FY 00	% Growth	% Growth Constant currency
Net revenues	4,859	4,201	16	17
EBIT	644	621	4	5
Net income	245	212	15	
EPS (\$) ¹	2.53	2.37	7	

¹ average number of shares in 2001: 96.0 million in 2000: 89.0 million

Q4 Special Charge and Related Prior Quarter Costs

<i>\$ millions</i>	Pre-tax	After-tax
1. Grace bankruptcy matters	172	125
2. Commercial payor settlement	56	33
3. Other merger related legal issues	30	19
Total Special charge Q4	258	177
Related prior quarter costs	7	4
	265	181



Income Statement FY 2001

Including special charge and related costs

<i>\$ millions</i>	FY 01	FY 01	FY 00
Net revenues	4,859		4,201
EBIT before charges	644		621
Special charge Q4	(258)		-
Related prior quarter costs	(7)		-
EBIT after charges	379		621
Net income	63	245*	212
EPS (in \$)	0.65	2.53*	2.37

* excluding special charge & related expenses

Cash Effects of Special Q4 Charge

\$ millions

<i>After tax amount of special Q4 charge</i>	177
<i>Less non-cash charges</i>	48
* <i>Reserves on Accounts Receivable (A/R)</i>	
* <i>Deferred taxes</i>	
<i>Cash Charge Potential Timing</i> * <i>(between Q3 2002 and 2004)</i>	129

* If paid



Financial Highlights Q4 2001


Excluding special charge and related costs

<i>\$ millions</i>	Q4 01	Q4 00	% Growth
Net revenues	1,270	1,082	17
EBIT	152	153	(1)
Net income	60	59	3
EPS (\$) ¹	0.62	0.63	(2)

¹ average number of shares in Q4 2001: 96.1 million in Q4 2000: 93.8 million




Operating Margin Development Q4 2001

<i>in % of total sales</i>	EBIT Q4 01		EBIT Q4 00
	14.1		14.1
• Strategic investments			
Single-use dialyzers	-0.6		
• Operational issues			
Higher A/R allowance and bad debt expenses	-0.4		
Higher personnel expenses	-0.2		
Higher expenses for facility lease / de novo certification expenses	-0.2		
Safety Needle Law - Compliance	-0.2		
• Currency / Others	-0.5		
	12.0		




Operating Margin Development FY 2001

<i>in % of total sales</i>	EBIT 2001		EBIT 2000
	14.8		14.8
• Strategic investments			
Single-use dialyzers	-0.2		
Everest Integration	-0.2		
• Operational issues			
Higher A/R allowance and bad debt expenses	-0.3		
Higher personnel expenses	-0.3		
Higher expenses for facility lease / de novo certification expenses	-0.2		
• Currency / Others	-0.3		
	13.3		



Cash Flow FY 2001

<i>\$ millions</i>	FY 01	FY 00
<i>Net cash provided by operating activities</i>	424 	391
<i>Capital expenditure (net)</i>	(251)	(207)
<i>Free Cash Flow</i> ¹	173	184

Free Cash Flow in Q4 2001 \$ 83 million 

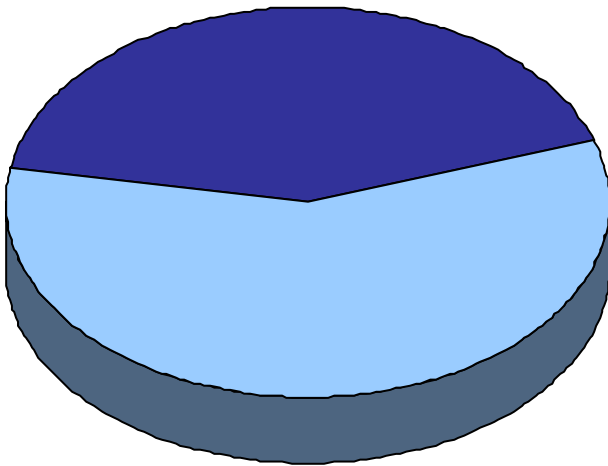
¹ before acquisitions and dividend

Capital Expenditure split 2001

Total Capital Expenditure \$ 251 million

Investment by business segment

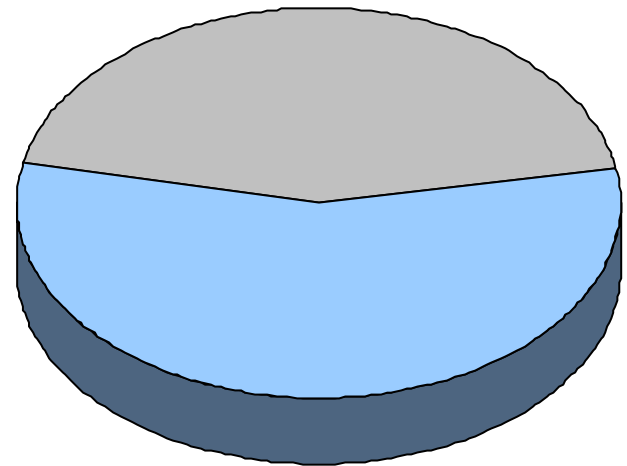
Products
\$ 95 m



Services
\$ 156 m

Investment in Growth

Expansion
\$ 110 m






Maintenance
\$ 141 m



FY 2001 Cash Generation

in % of total revenue

Future

<i>Cash from operations</i>	8.7%	
<i>Capital expenditure ¹ (net)</i>	5.2%	
<i>Free Cash Flow</i>	3.5%	

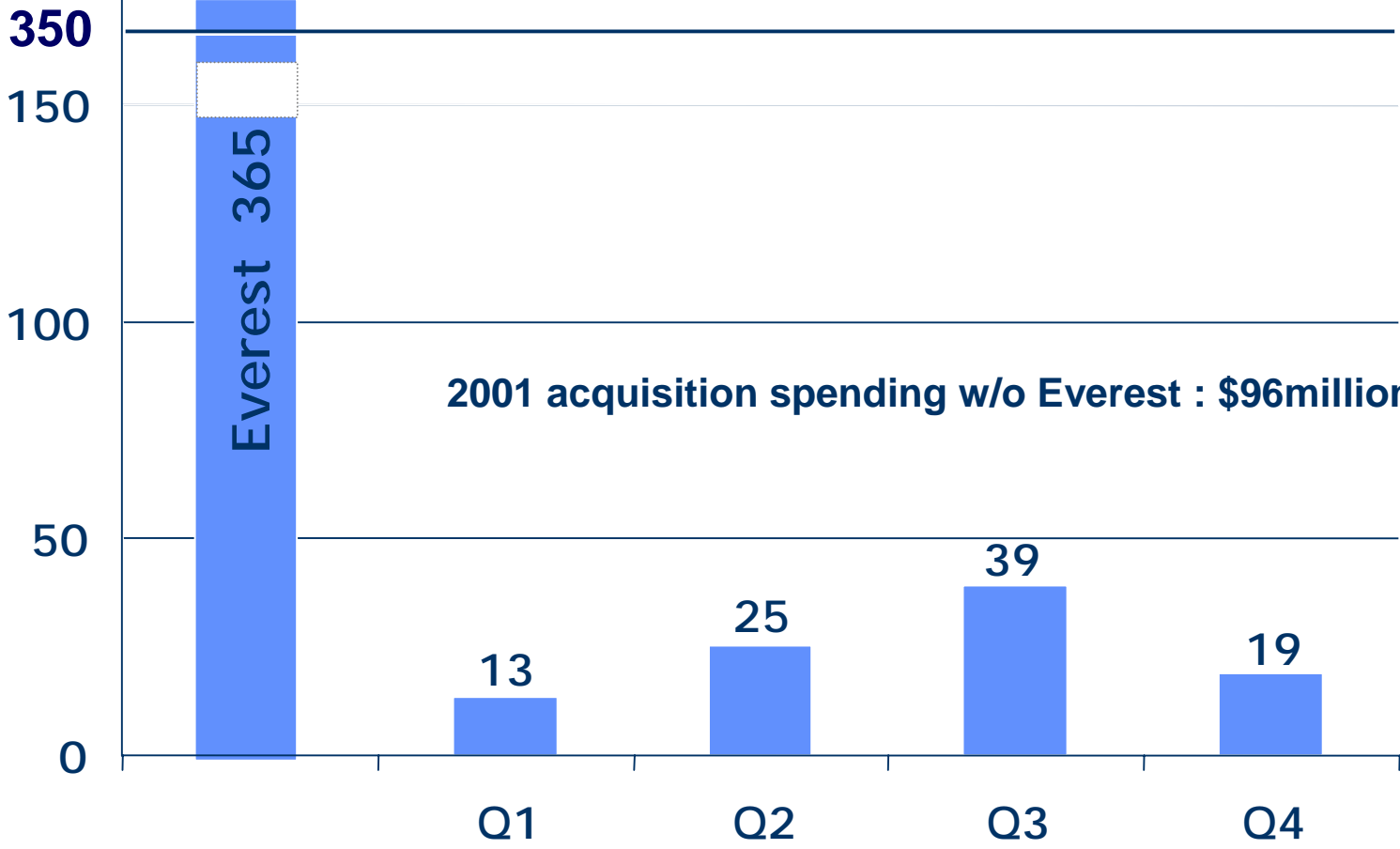
***\$ 173 million Free Cash Flow available for acquisitions,
debt reduction and dividend payment***

¹ Growth and Maintenance Capital Expenditure



Acquisitions FY 2001

\$ millions



Financial ratios

<i>\$ millions</i>	Dec 31, 01	Sept 30, 01
<i>EBITDA</i>	978	967
<i>Debt</i>	2,884	2,989
<i>Total debt / EBITDA</i>	2.9	3.1

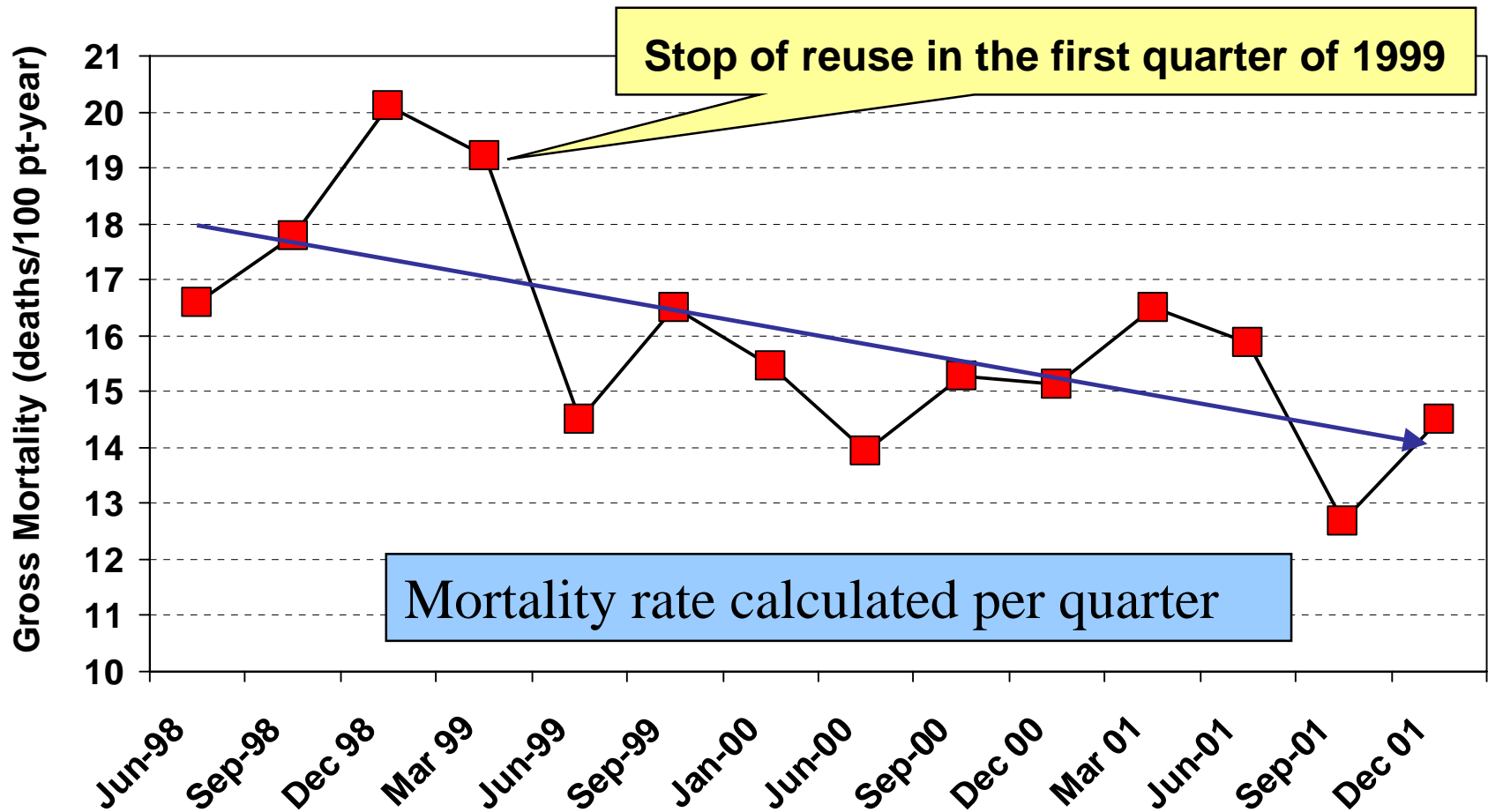


Outlook for FY 2002

<i>\$ millions</i>	Targets FY 2002
Revenue Growth	6 – 9%
Net income Growth¹ <i>(not amortization adjusted)</i>	low to mid teens
Net income Growth¹ <i>(amortization adjusted)</i>	> \$ 350 m (>40%)
Capital Expenditure	~ \$ 220 m

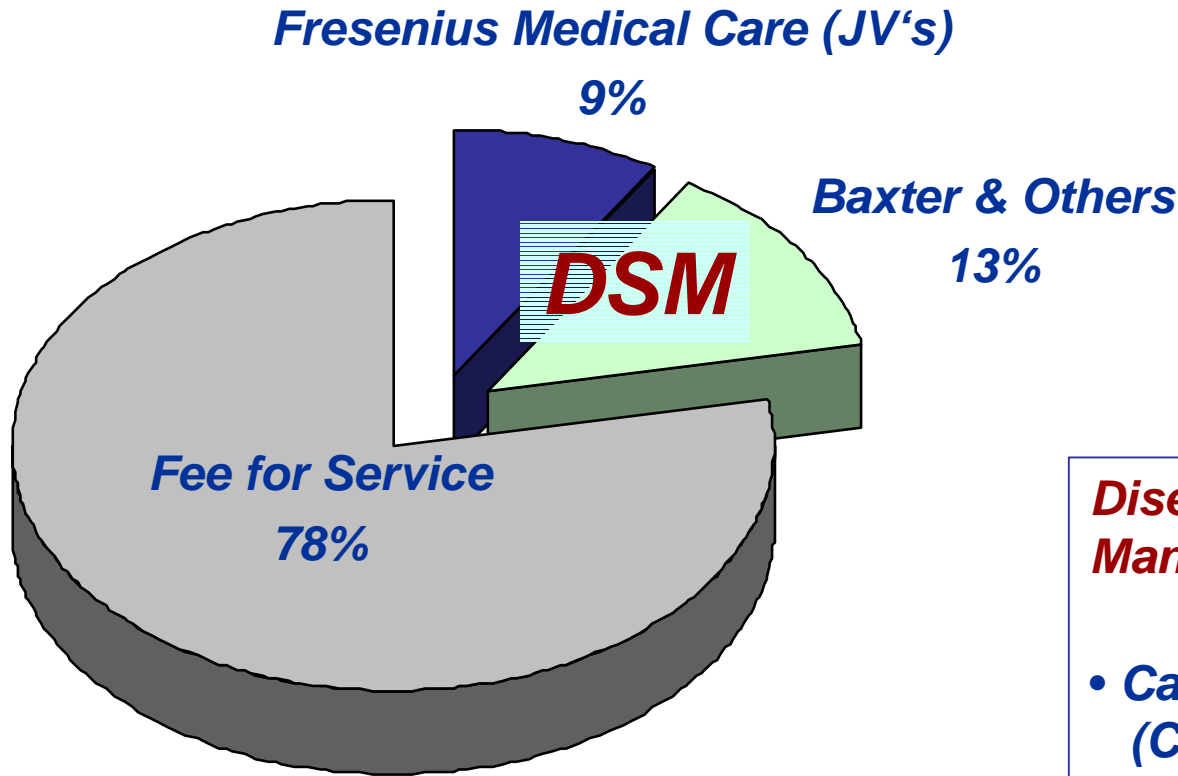
¹ Net income depending on currency development and before extraordinary Trust Preferred redemption cost

Development of unadjusted mortality Portugal before and after stop of Re-use



Source: Fresenius Medical Care AG

Status: Renal Disease State Management



North America
Patients covered by
Commercial Health Plans

Disease State Management Services

- **Case Management (Call Center)**
- **Comprehensive Care = Case Management + clinic based activities**



Focus for 2002 – Margin Improvement

North America

Patient Care Operational Efficiency / Cost control

- Achieve expected UltraCare™ Online NR Savings***
 - Single-use High Flux Polysulfone Dialysers***
- Focus proprietary Product / System Technology to reduce Clinic workload & costs***
- Contracted price for EPO through December 2003***

FMC – the world's leading renal therapy company

Benefits of Differentiated Patient Care



Single Use High Flux Polysulfone Dialyzers

- **Remove Reuse Burden from Clinic**
 - Reduce technical and clinical over site time/expense
 - Eliminate increasing costs of Reuse procedure
- **Improve Clinic Environment**
 - Patient and Staff acceptance very high
 - Net patient growth +10% over Market
- **Improve Outcomes**
- **New Staffing Model**
 - Allow nurses to focus more on nursing and patient care
 - Improve clinic ability to cope with nurse shortage

UltraCare™ OnLine NR

Adequacy Monitoring:

- FMC Machines
- OnLine Clearance
- DiaSafe → ultrapure dialysate

NR Package:

- Single-Use Dialyzers
- FMS Bloodlines
- Tailored dialysate

NR = non-reuse



Example of Proprietary Systems Technology to reduce Clinical Workload

Anemia Management Patient Progress Report/Epo Dosing Form

PATIENT ID:

PATIENT NAME:

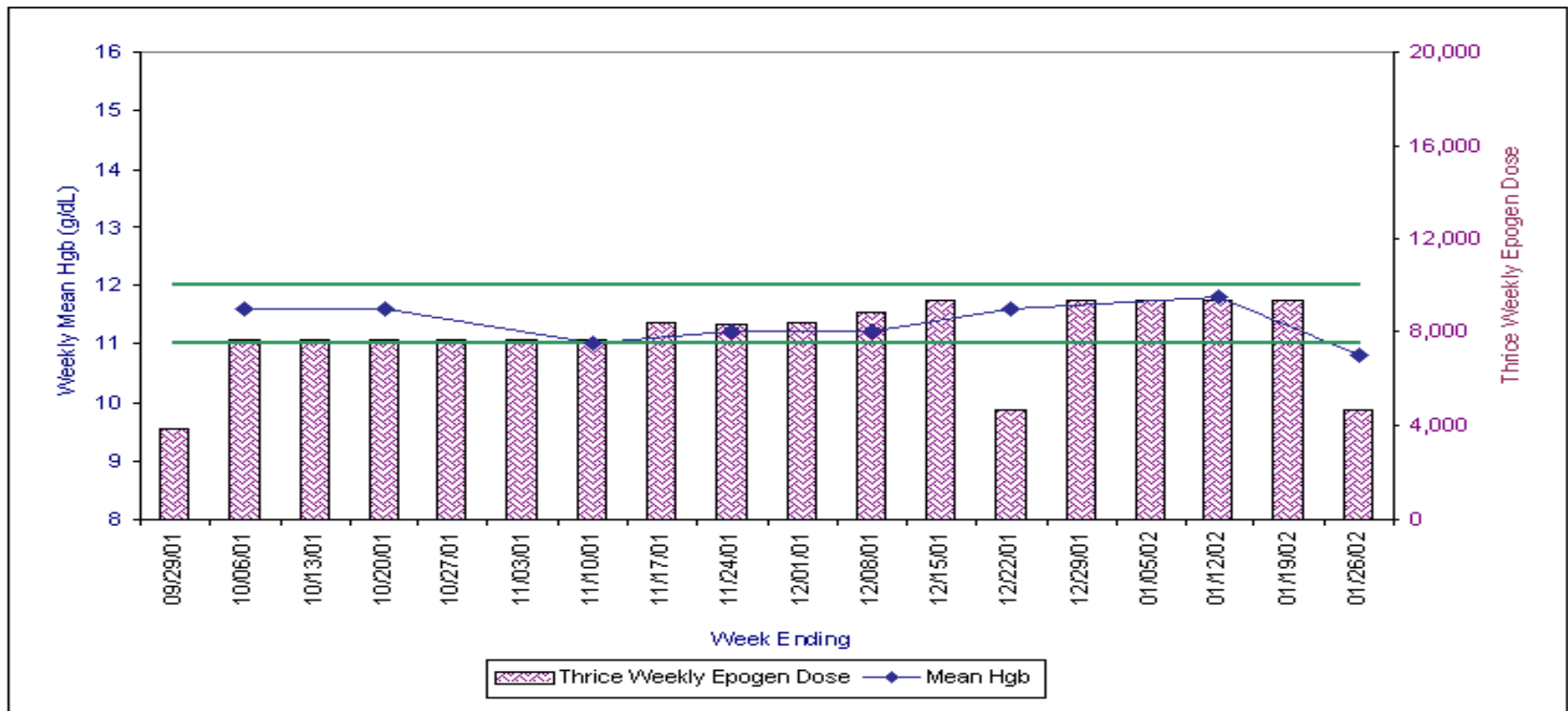
FACILITY ID:

PT ACCT #:

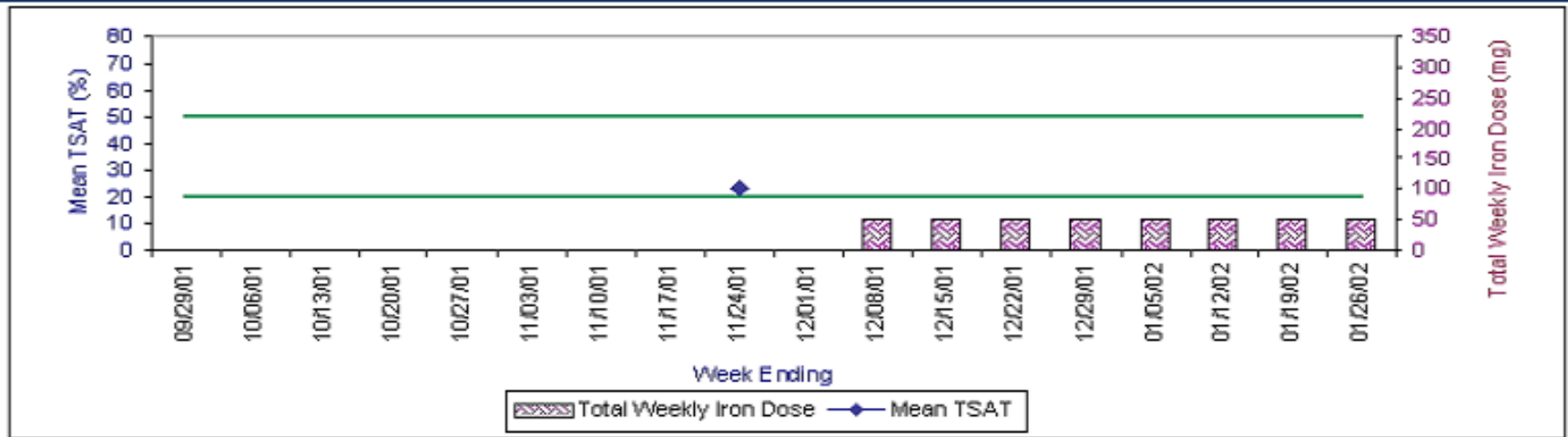
BUSINESS UNIT: NORTH

REGION: GREAT LAKES

NEWPATIENT IN QTR? NO



Example of Proprietary Systems Technology to reduce Clinical Workload



THE FOLLOWING CALCULATIONS ARE BASED UPON THE 3-MONTH TIME PERIOD FROM 10/28/01 TO 1/26/02

COUNT OF EPO DOSES IN CURRENT 3 MONTHS: **24**

COUNT OF HD TREATMENTS IN CURRENT 3 MONTHS: **NA**

CURRENT 3-MONTH ROLLING AVERAGE HEMOGLOBIN: **11.3**

CURRENT 3-MONTH ROLLING AVERAGE TSAT: **23.0 %**

This is **WITHIN** the DOQI target range of 11.0 - 12.0 g/dL.

This is **WITHIN** the DOQI target range of 20 - 50%.

ADMNS
PER WK

AVG DOSE IN
LAST 4 WKS

DOSE ESTIMATED TO
REACH DOQI GOAL

If TSAT within DOQI target range but Hgb is decreasing or will not increase, look for blood loss, infection/inflammation or other factors affecting hyporesponse.

3

8,167

8,000

2

12,250

12,200

1

24,500

24,400

New Prescribed
Epoegen Dose:

- circled and initialed above
 other: _____ Units ___ x per wk

Physician Signature: _____

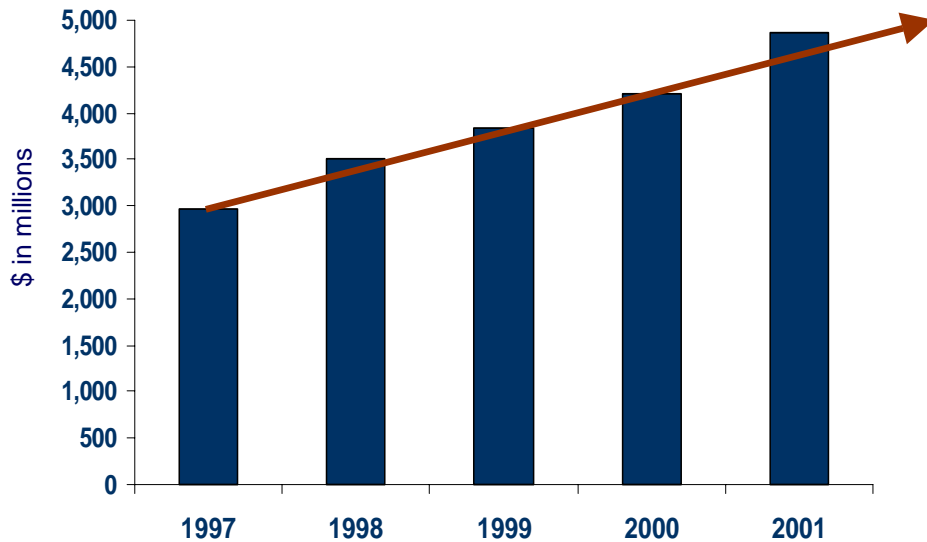
Prescription start date: _____



Financials FY 1997 – 2001

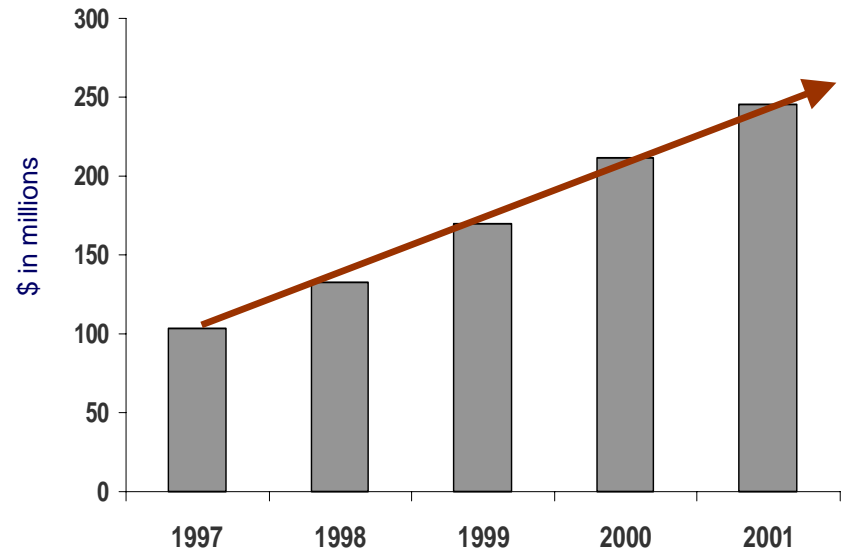
A consistent track record of growth

Total Revenues



CAGR 13%

Net income ¹



CAGR 28%

¹ from continuing operations and excluding special charges

CAGR = cumulative annual growth rate

Outlook for FY 2002 / 2003

<i>\$ millions</i>	Targets FY 2002
Revenue Growth	6 – 9%
Net income Growth¹ <i>(not amortization adjusted)</i>	low to mid teens
Net income Growth¹ <i>(amortization adjusted)</i>	> \$ 350 m (>40%)
Capital Expenditure	~ \$ 220 m

<i>\$ millions</i>	Targets FY 2003
Revenue Growth	High single digit
Net income Growth <i>(amortization adjusted)</i>	Low to mid teens

¹ Net income depending on currency development and before extraordinary Trust Preferred redemption cost

Key Accomplishments

Fresenius Medical Care

- ***Achieved positive financial results in a difficult environment***
- ***Financially resolved 1996 merger-related legal matters***
- ***Reached operating milestones: production capacity, product introductions, service differentiation***
- ***Launched strategic initiatives for future growth and operating efficiencies***
- ***Solidified position as world's leading renal therapy company***

