



Fresenius Medical Care

The World's Leading Renal Therapy Company



Analyst Meeting, November 4, 2003

Agenda

I. Business Update

- Key accomplishments
- Dialysis services
- Dialysis products

II. Financials Q3/9M 2003

III. Financial Outlook



Key accomplishments Q3 2003

Strategy

Successful global strategy in place

Products

Strong worldwide product growth

Regions

On track for full year targets – with improving margins

Cash Flow

Record operating and free Cash Flow



Excellent performance – Q3 2003



▪ **Net revenues** **+ 10%**

Constant currency **+ 7%**

▪ **EBIT** (operating income) **+ 18%**

Margin **14.0%**

▪ **Net income** **+ 25%**

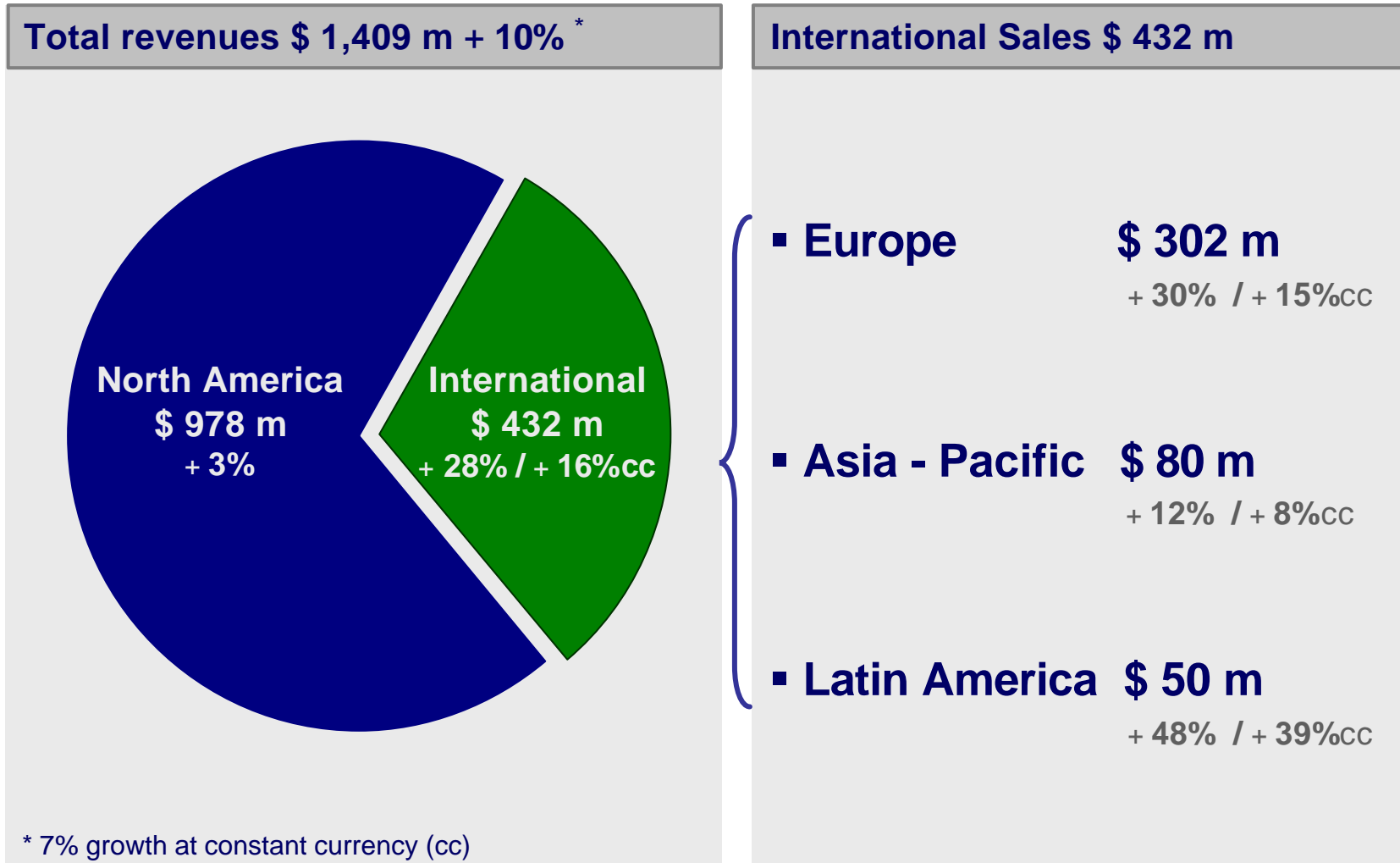
Margin **6.2%**

▪ **Free Cash Flow** **+ 81%**

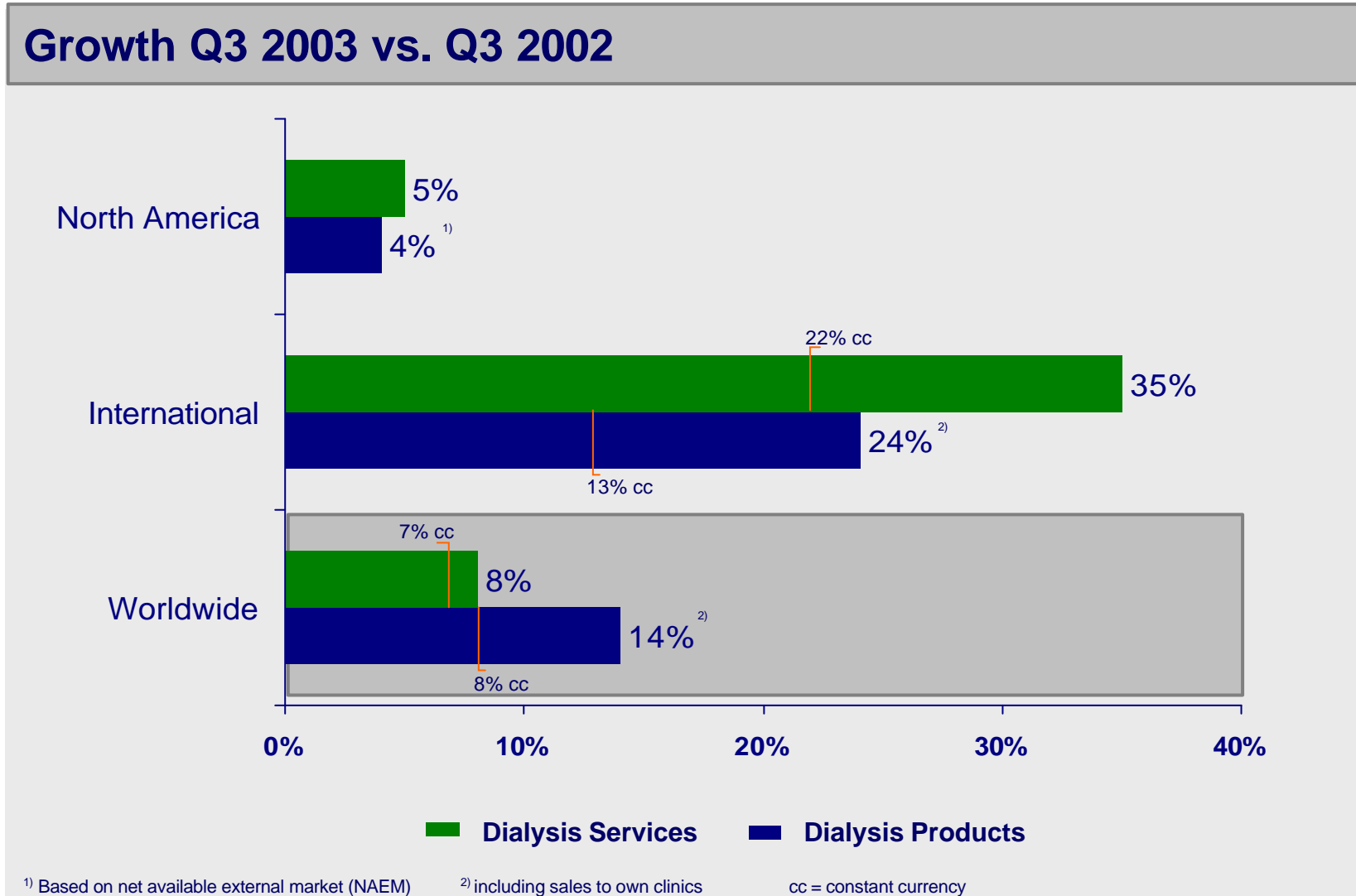
In % of total sales **10.8%**



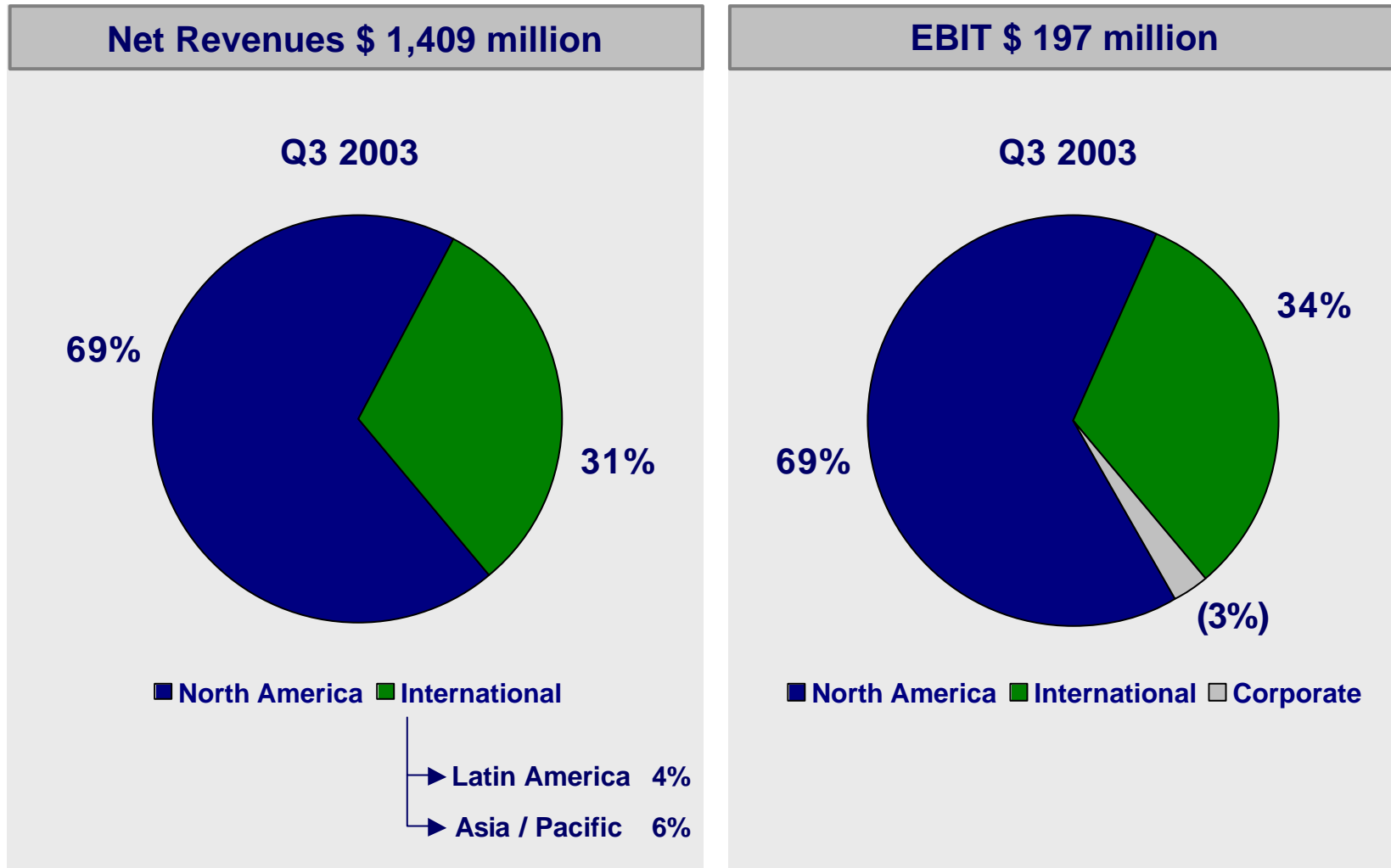
Revenue growth by segment Q3 2003



Strong revenue growth in both segments



Balanced composition of revenues and EBIT



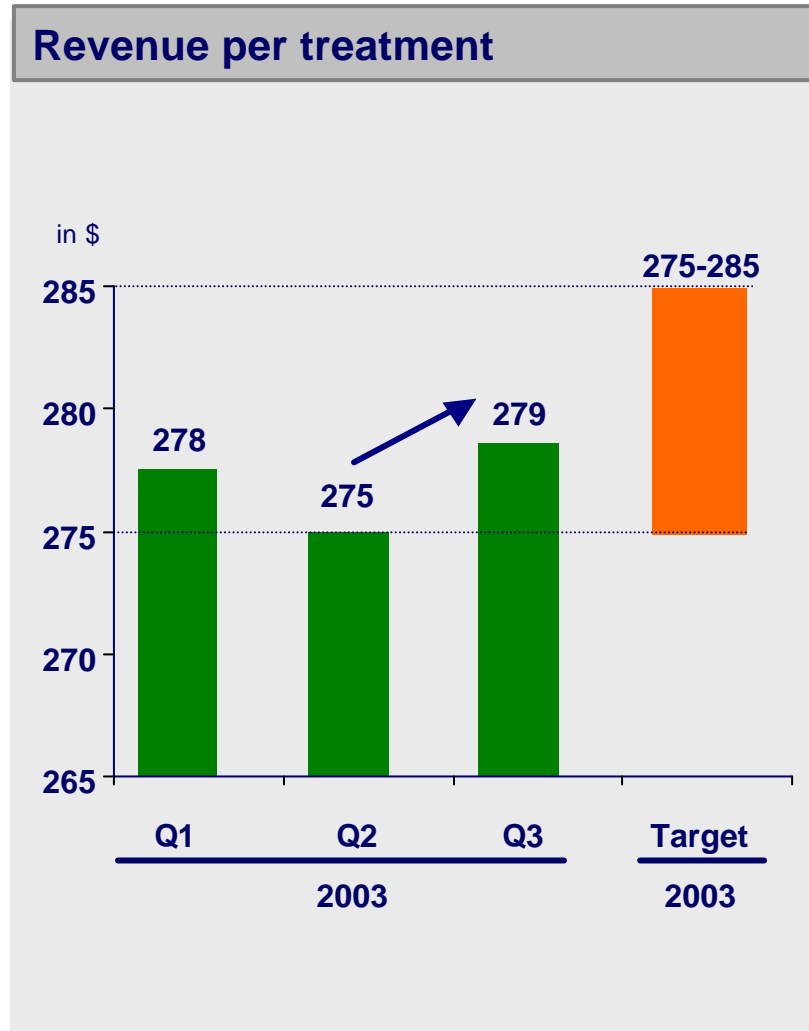
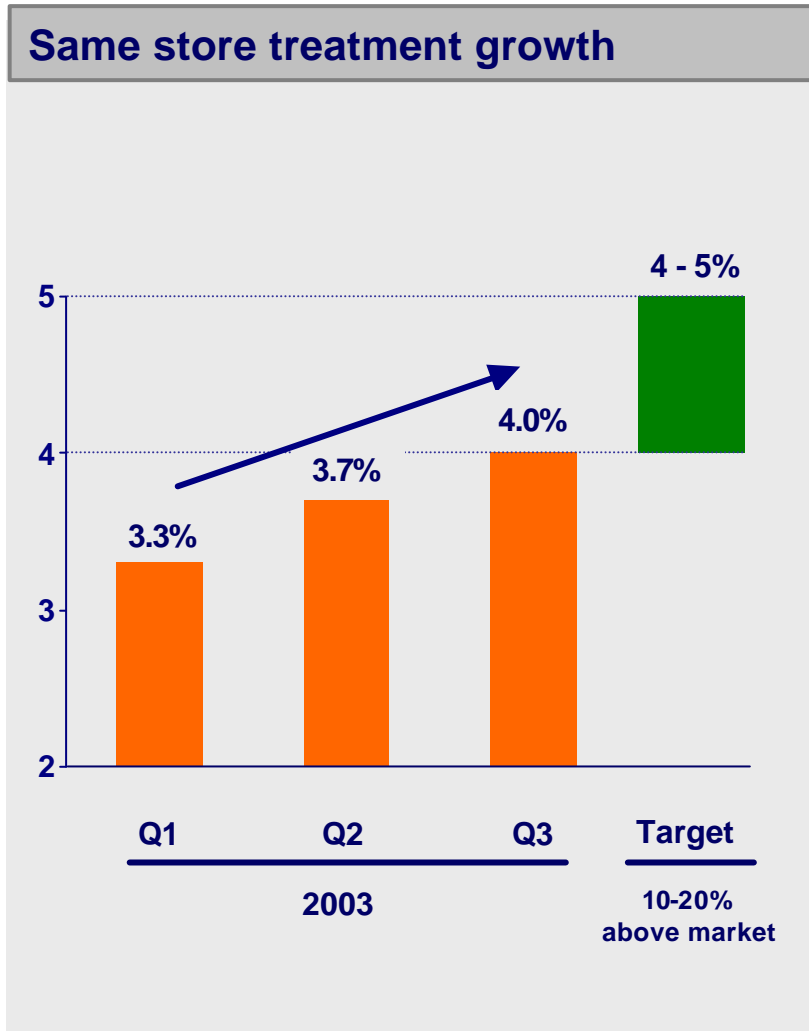
Services – North America

Achieved further performance improvement in Q3 2003

- **Same store treatment growth of 4%**
- **Revenue per treatment enhanced to \$ 279**
- ***UltraCare*[™] marketing program**



Services – North America



Services – North America

UltraCare™ program well under way (certification & marketing at clinic level)



- **Computer-based training modules**

- Individualized patient care
- A team approach to care
- Customer service
- *UltraCare™* technology
- Urea kinetic modeling
- On-line clearance monitoring with AMP



- ***UltraCare™* travel case**

- Implementation guidelines
- Checklist and recommended schedule
- Program overview
- Computer-based training programs
- Customer service training video
- Information for leading training session
- Certification forms

Data suggests improved outcomes of single-use

American Society of Nephrology (ASN) Major Congress – November 14-17th, San Diego

Conclusion:

The use of new synthetic membrane dialyzers with each treatment appears associated with a survival advantage for patients compared to the use of dialyzers that have been clinically reprocessed.

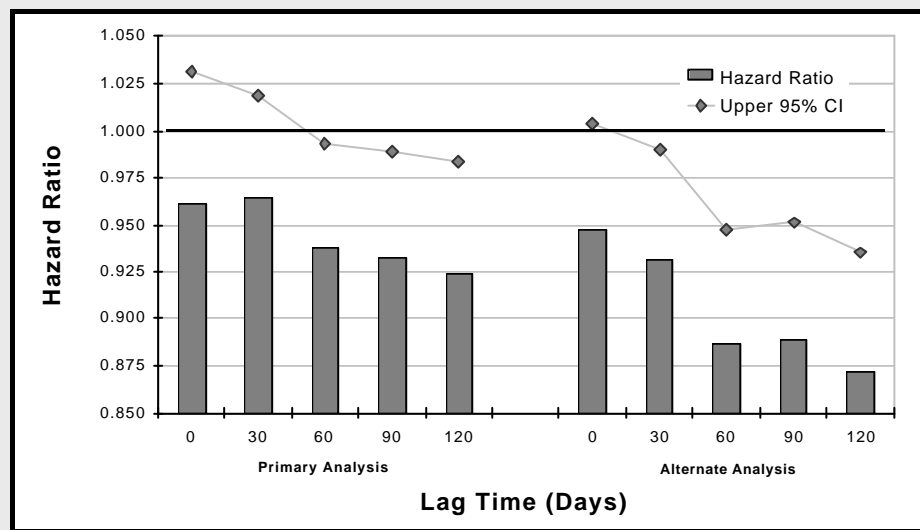


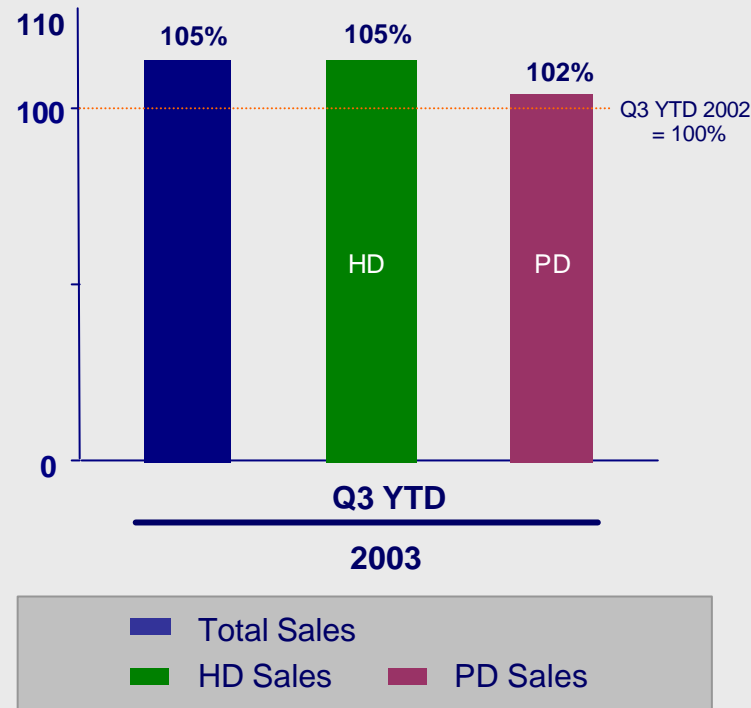
Figure 1: The case mix analysis set from the primary analysis cluster is compared to a similar set from the second alternate analysis cluster. The single use/reuse hazard ratios and their upper 95% confidence intervals for each lag interval are shown. A horizontal, dark line is added at hazard = 1.000 to facilitate reading the chart.

Edmund G. Lowrie, Zhensheng Li, Norma Ofsthun,
J. Michael Lazarus. Nephrology, Duke Medical
School, Durham, NC; Clinical Quality, Fresenius
Medical Care North America, Lexington, MA

Products – North America

Strong acceptance of new product technology

Total sales growth to NAEM¹⁾ + 5%



¹⁾ NAEM = net available external market

- Above-market growth in hemodialysis (HD) products
 - NAEM¹⁾ - Further penetration of single-use Optiflux[®] dialyzers

- Above market growth in peritoneal dialysis (PD) products in a flat market

¹⁾ NAEM = net available external market

Products & Services – Europe

Significant differences in local business models

EXAMPLES:

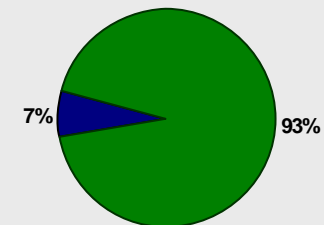
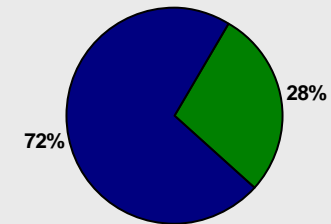
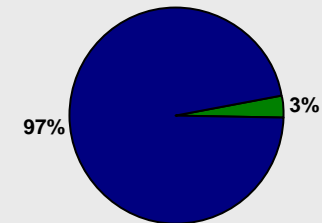
Germany: **Product market**
Long term supply contracts

UK: **Mixed market**
Tender business products and service

Hungary: **Service market**
Privatisation of dialysis care

Success in Europe builds on local business experience

Revenue split



■ Dialysis Care
■ Dialysis Products



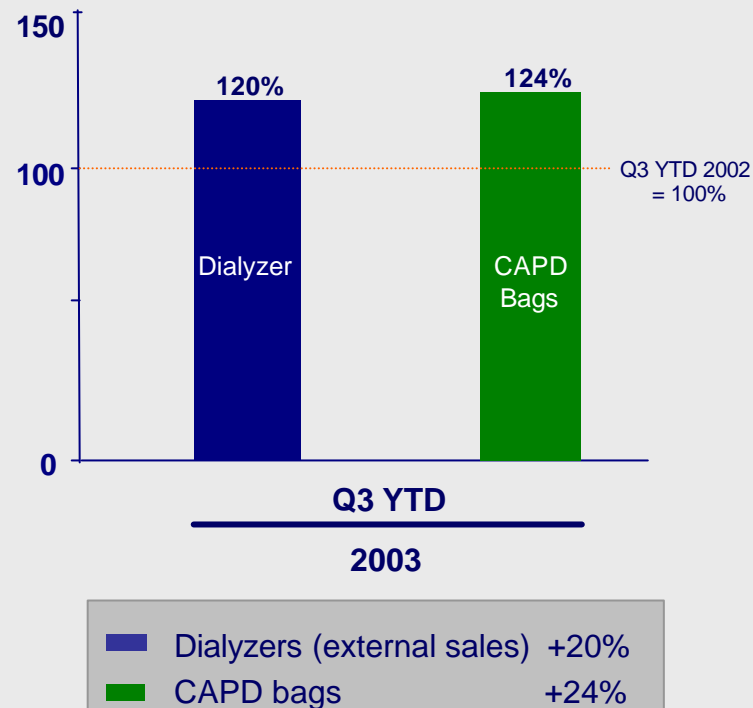
Products & Services – Europe

Leading Company to serve customer needs – building a successful future

- Best positioned
 - to address distinctly different local market requirements
 - to gain further market shares
 - to maintain & grow margins and to further grow Free Cash Flow
- Due to
 - most complete product range
 - promising product pipeline
 - best dialysis care in Europe

Products & Services – Asia/Pacific

Key Highlights



- Strengthening leadership position for key Hemodialysis products throughout the Region
- Continue building our own Hemodialysis sales & marketing organization in Japan, Taiwan & Central China
- Strong 33% growth in PD Patients compared with Q3 2002

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Key figures Q3 2003

\$ m	Q3 2003	Q3 2002	%
Net revenues	1,409	1,285	+ 10 [*]
Operating income (EBIT)	197	167	+ 18
Net income	87	70	+ 25
EPS per ordinary shares (\$)	0.90	0.72	+ 25

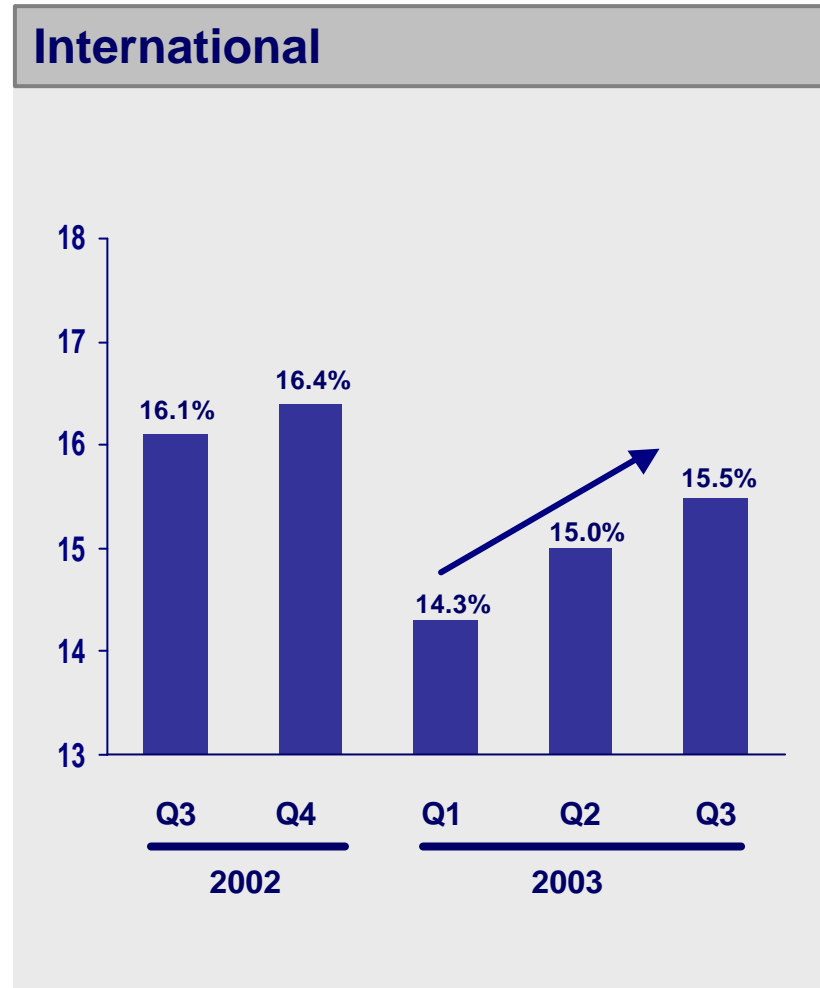
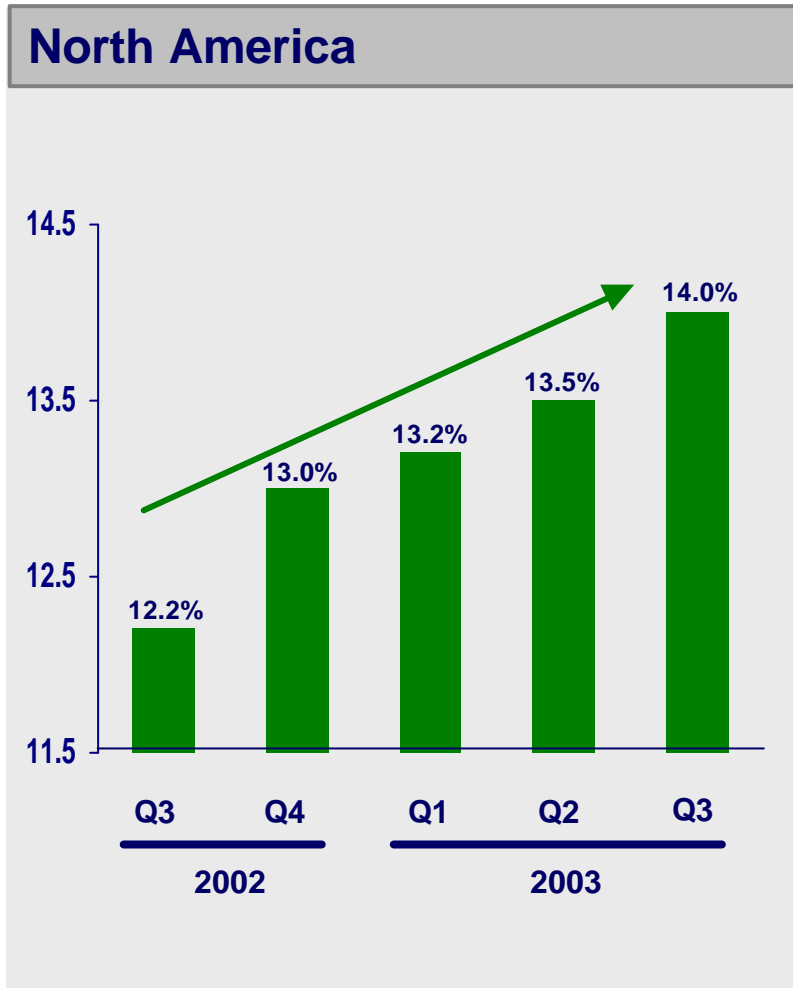
* 7% growth at constant currency

Key figures 9M 2003

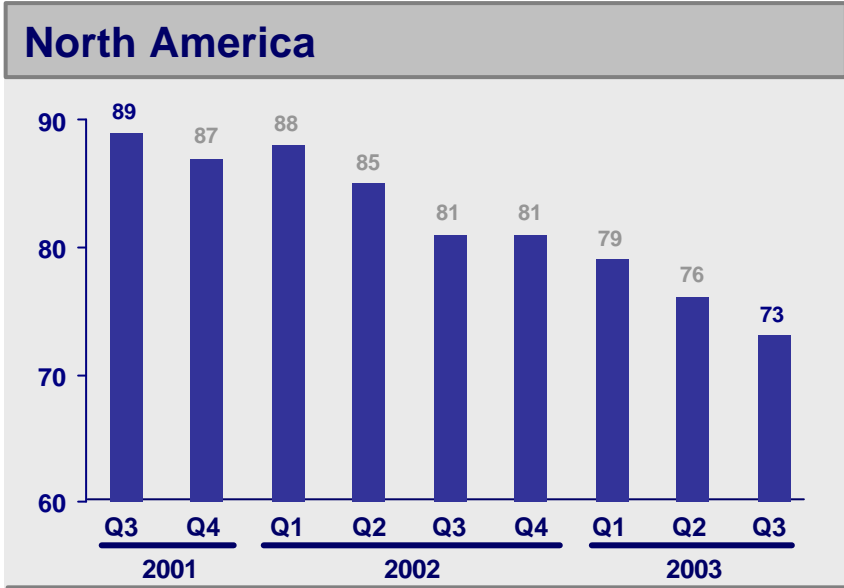
\$ m	9M 2003	9M 2002	%
Net revenues	4,075	3,726	+ 9 [*]
Operating income (EBIT)	550	511	+ 8
Net income	237	207	+ 14
EPS per ordinary share (\$)	2.44	2.15	+ 14

* 6% growth at constant currency

Continuing EBIT- margin improvement



Days Sales Outstanding (DSO)



Cash Flow Q3 2003

\$ m	Q3 2003	Q3 2002
Net cash provided by operating activities	203	151
Capital expenditures (net)¹⁾	(51)	(67)
Free Cash Flow	152	84
Acquisitions	(22)	(33)
Free Cash Flow after acquisitions	130	51

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

Cash Flow 9M 2003

\$ m	9M 2003	9M 2002	%
Net cash provided by operating activities	503	395	+ 27
Capital expenditures (net)¹⁾	(129)	(157)	
Free Cash Flow	374	238	+ 57
Acquisitions	(79)	(73)	
Free Cash Flow after acquisitions	295	166	+ 78

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

Financial ratio 9M 2003

\$ m	September 30, 2003	
EBITDA (annualized) ¹⁾		952
Dec. 31, 2002 Debt ¹⁾	2,833	
+ CapEx ¹⁾	129	
+ Acquisitions	79	
+ FX-effects	86	
+ Redemption costs Class D	9	
+ Refinancing credit agreement	19	
+ Dividends	108	
+ Others	2	
- Cash from operating activities	503	
September 30, 2003 Debt ¹⁾		2,762
Total debt / EBITDA		2.9

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

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Unchanged outlook 2003

Revenue growth (constant currency)	Mid single digit
Capital expenditure ¹⁾	~ \$ 220 m
Acquisitions	~ \$ 100 m
Net income growth ¹⁾ (expected to be at the lower end)	High single / low double digits

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

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

EBITDA	Q3 2003	
Last twelve months operating income (EBIT)	734	
+ Last twelve months depreciation and amortization	210	
+ Non-cash charges	8	
= EBITDA (annualized)	952	
Net income growth	FY 2002	
Net income	290	
+ Loss from early redemption of Trust Preferred Securities	12	
= Net income prior SFAS 145 (basis for guidance) and cumulative effect of other accounting changes	302	
Net available external market (NAEM)	Q3 2003	Q3 2002
External dialysis product sales	105	113
Sales to other vertically integrated dialysis providers and to leasing companies	(8)	(12)
Method II and others	-	(9)
Adsorber business sales	(1)	-
Dialysis product sales to net available external market	96	92

Attachment II

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

All numbers are in \$ millions

Debt	Sept. 30, 2003		Dec. 31, 2002	
Short term borrowings	105		125	
+ Short term borrowings from related parties	95		6	
+ Current portion of long-term debt and capital lease obligations	57		23	
+ Long-term debt and capital lease obligations, less current portion	1,126		1,089	
+ Trust Preferred Securities	1,199		1,145	
+ Accounts receivable securitization program	180		445	
Total debt	2,762		2,833	

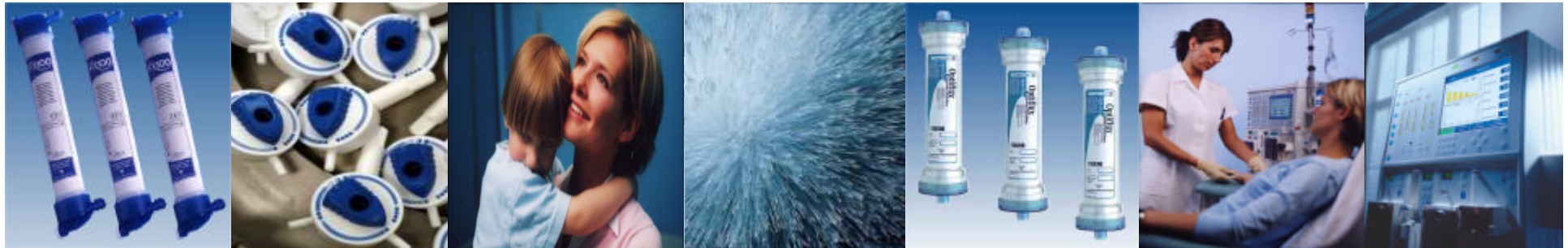
Capital expenditure (net)	Q3 2003	Q3 2002	9M 2003	9M 2002
Purchase of property, plant and equipment	56	71	141	186
- Proceeds from sale of property, plant and equipment	(5)	(3)	(12)	(29)
= Capital expenditure (net)	51	67	129	157

External Revenue	Q2 2003	Q2 2002	growth
International product revenue	317	255	+24%
- Internal revenue	(31)	(24)	+26%
= External revenue	286	231	+24%
Worldwide product revenue	510	446	+14%
- Internal revenue	(119)	(103)	+16%
= External revenue	391	344	+14%



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