



Fresenius Medical Care

The World's Leading
Renal Therapy Company

Fourth Quarter / Full Year 2007 Results

Analyst Meeting, February 20, 2008



Fresenius Medical Care

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 the Securities and Exchange Commission and the German Exchange Commission "Deutsche Börse".



1. Business Update

2. Financials and Outlook

3. Q&A Session

Q4 2007 – Excellent Quarter



(excluding one-time items in 2006)

Revenue	\$ 2,569 m	+ 9%
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Net income	\$ 197 m	+ 16%
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Earnings per share	\$ 0.67	+ 16%
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- ▶ Continued strong performance across all segments and regions again in Q4
- ▶ Continued high earnings momentum in Q4

FY 2007 – Another Record Year



	Guidance	FY 2007
Revenue	> \$ 9,500 m	\$ 9,720 m
Net income	\$ 685- <u>705</u> m	\$ 717 m

➔ Exceeded the Upper End of Guidance

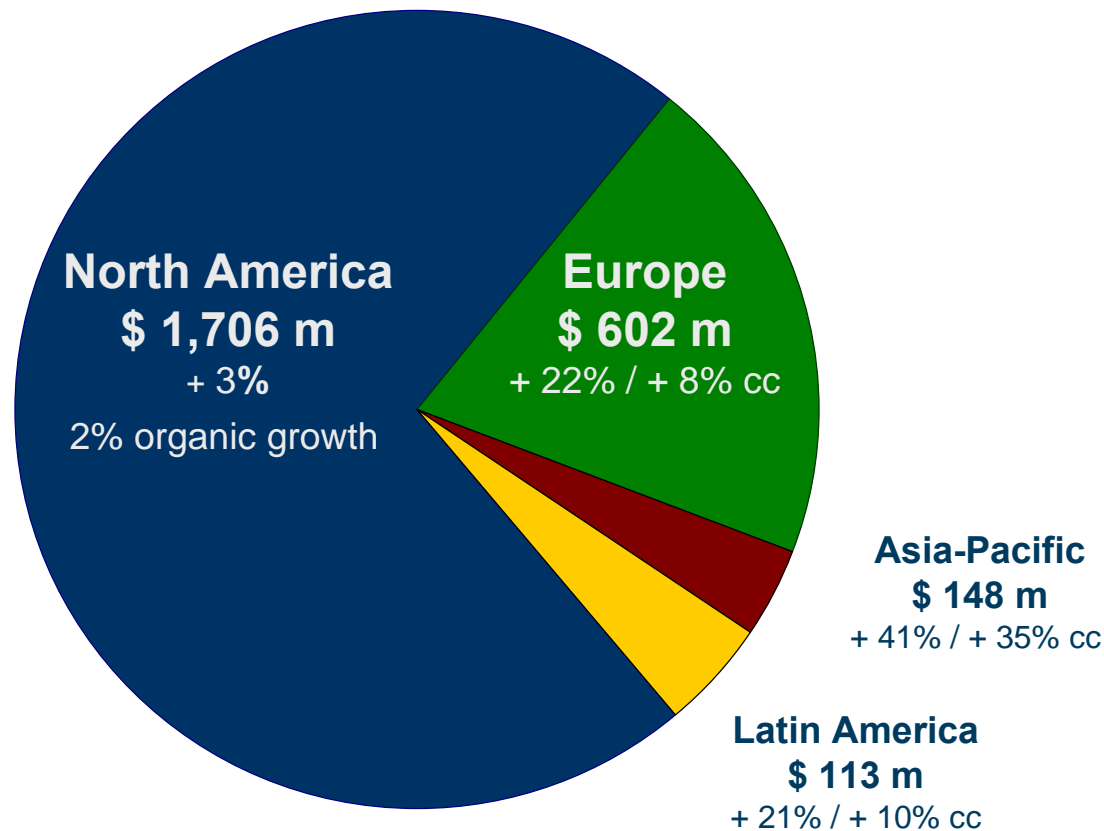
- ▶ All segments and regions contributed to this excellent result
- ▶ On track to achieve mid-term target of > US\$ 11.5 billion in revenues by 2010

Q4 2007 – Strong Revenue Growth



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Total Revenue Increased 9% to \$ 2,569 m *



In % of total revenue:

North America	66%
Europe	24%
Asia-Pacific	6%
Latin America	4%

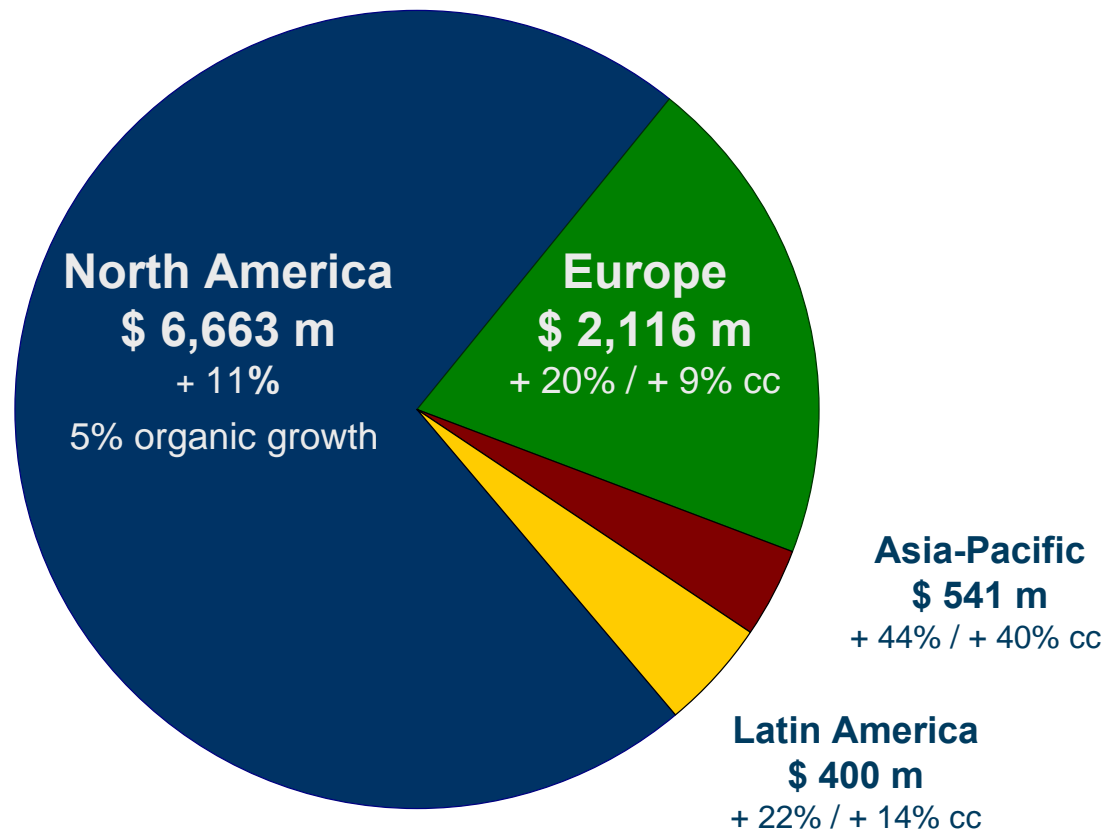
* 6% growth at constant currency (cc)

FY 2007 – Strong Revenue Growth



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Total Revenue Increased 14% to \$ 9,720 m *



In % of total revenue:

North America	69%
Europe	22%
Asia-Pacific	5%
Latin America	4%

* 12% growth at constant currency (cc)

Impressive Growth Internationally of 22%cc

\$ in millions	Q4 2006	Q4 2007	Growth	cc
North America ¹⁾	1,477	1,526	3%	
International	244	331	35%	22%
Total¹⁾	1,722	1,856	8%	6%

- ▶ Continued strong growth in Europe of 13%cc (10% organic), Latin America with 11%cc (10% organic) and Asia-Pacific of 125%cc (9% organic), y-o-y

1) Q4 2006 revenue adjusted for sale of perfusion business in the amount of US\$ 27 m
cc = constant currency



Strong Overall Revenue Growth of 13%cc

\$ in millions	FY 2006	FY 2007	Growth	cc
North America ¹⁾	5,353	5,962	11%	
International	913	1,211	33%	23%
Total¹⁾	6,266	7,173	14%	13%

- ▶ Continued strong growth in Europe of 12%cc (11% organic), Latin America with 14%cc (14% organic) and Asia-Pacific of 133%cc (11% organic), y-o-y

1) FY 2006 revenue adjusted for sale of perfusion business in the amount of US\$ 111 m and 2007 adjusted for US\$ 40 m
cc = constant currency

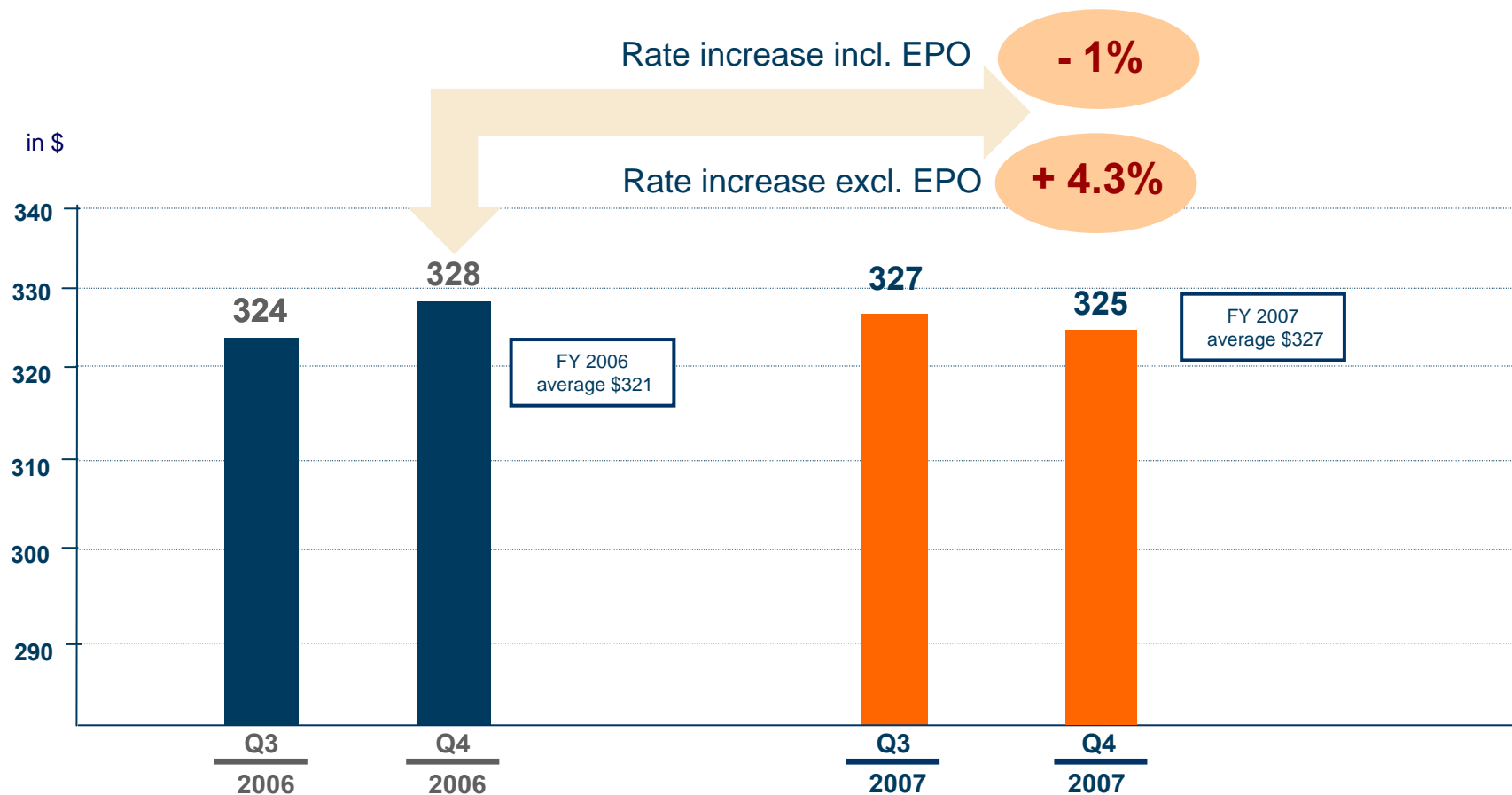
International Organic Revenue Growth of 10%cc

Q4 2007	Total	North America	International
Organic revenue growth	+ 3%	+ 2%	+ 10%
Same market treatment growth	+ 3.9%	+ 3.0%	+ 6.2%
Revenue per treatment		\$ 321 ¹⁾	\$ 160
Growth		- 1%	+ 4%cc
Clinics FY 2007	2,238	1,602	636
Growth	+ 6%	+ 3%	+ 16%
De novos Q4 (including managed clinics)	17	10	7
De novos FY (including managed clinics)	80	51	29

1) including Mexico
cc = constant currency

Dialysis Services - United States

Revenue per Treatment up 4% excluding EPO



EPO discussion has influenced Hemoglobin in N/A

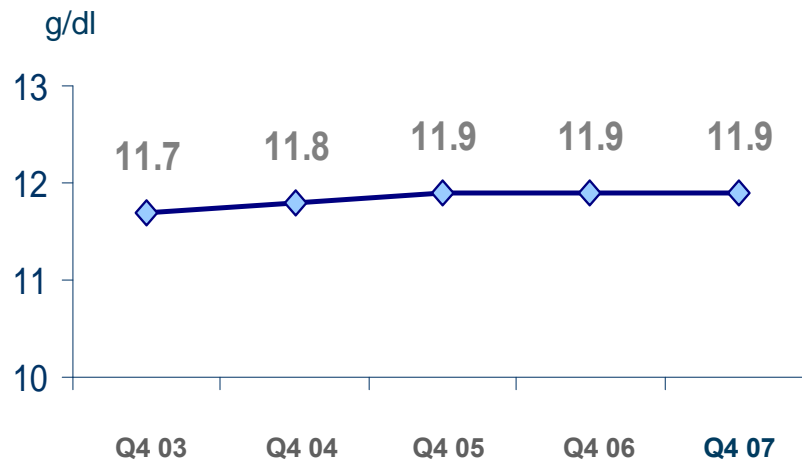
% of FME patients	North America		EMEA	
	Q4 2006	Q4 2007	Q4 2006	Q4 2007
Kt/V ≥ 1.2	95%	95%	93%	93%
Hemoglobin ≥ 11 g/dl	83%	80%	72%	72%
Albumin ≥ 3.5 g/dl	80%	80%	85%	86%
Hospitalization days	10.1*	9.9*	9.8	9.6

Continued reduction in hospital days

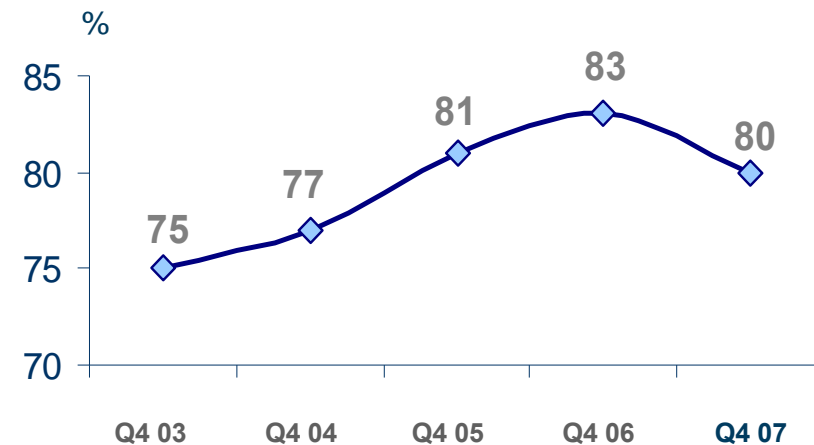
* The hospitalization rates for the US reflects FMS adoption of CMS policy

Anemia Management

Hemoglobin level
(3 months average)



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



Focuses on quality outcomes for patients in line with K/DOQI guidelines

Data Source: Clinical Performance Management (CPM) Data / Legacy FME U.S. clinics

Excellent External Revenue Growth – twice the market

\$ in millions	Q4 2006	Q4 2007	Growth	cc
Total revenue (incl. Internal Revenue)	785	918	17%	9%
External revenue	603	713	18%	10%
↳ North America	153	180	17%	17%
↳ International	450	533	18%	7%

cc = constant currency

Continued Excellent Growth

\$ in millions	FY 2006	FY 2007	Growth	cc
Total revenue (incl. Internal Revenue)	2,773	3,278	18%	12%
External revenue	2,122	2,507	18%	12%
↳ North America	561	661	18%	18%
↳ International	1,560	1,846	18%	10%

cc = constant currency

Highlights



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- ▶ Impressive EBIT margin of 17.8% in Q4 up 70 bps y-o-y
- ▶ Significant product growth of 17% in Q4 well above market
- ▶ Very good cost control in services and strong underlying private payor contracting



- ▶ Strong EBIT margin development
- ▶ Organic revenue growth of +8% for FY
- ▶ 5008 HD Machine unit sales up 76% y-o-y for FY
- ▶ Bundled rate per treatment for hemodialysis in Portugal



- ▶ Products sales growth for FY of +15%cc y-o-y
- ▶ Revenue growth in China of +21%cc y-o-y for FY
- ▶ Strong treatment growth +121% (17% excl. Excelsior) for FY

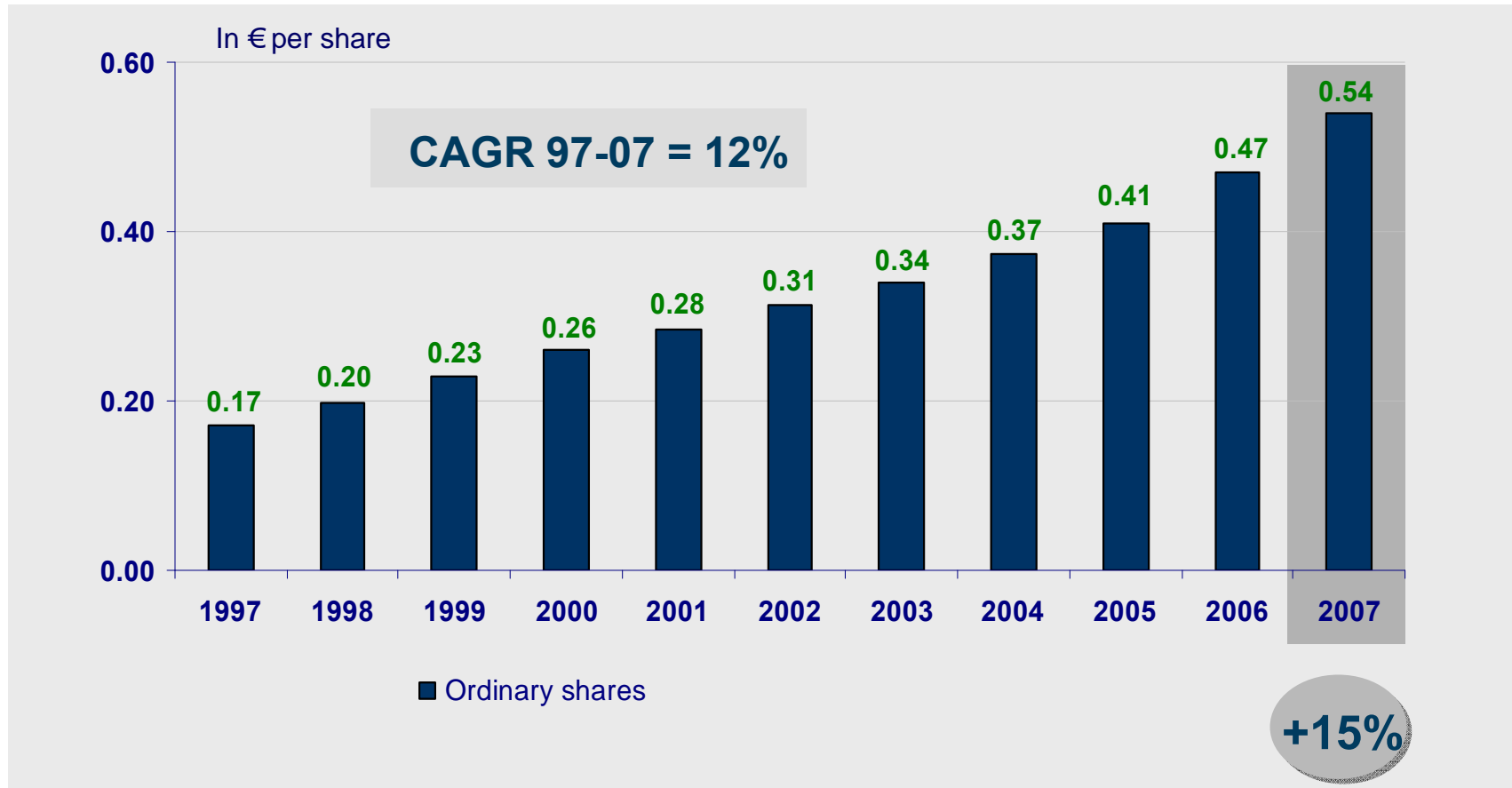
FY = Fiscal Year

11th

Consecutive Dividend Increase Proposed



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CAGR = Cumulative Average Growth Rate

Summary – 2008 Growth Drivers

	North America	Europe	Asia Pacific
Renal Pharma	✓	✓	
Expansion of Clinic Network	✓	✓	✓
Reimbursement Based on Quality	✓	✓	✓
Increased Product Market Share		✓	✓

Targeted Revenue Growth >7%

Financials and Outlook



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Profit & Loss ¹⁾



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\$ in millions	Q4 2006	Q4 2007	Growth
Net revenue	2,352	2,569	9%*
Operating income (EBIT) ²⁾	379	428	13%
EBIT margin in %	16.1	16.6	
Interest expense, net ²⁾	96	90	
Income before income tax ²⁾	283	338	19%
Income Tax expense ²⁾	107	135	
Tax rate	38%	40%	
Minority interest	6	6	
Net income ²⁾	170	197	16%

* 6% growth at constant currency, 4% organic growth

1) Excluding one-time items in 2006

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

Profit & Loss ¹⁾



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\$ in millions	FY 2006	FY 2007	Growth
Net revenue	8,499	9,720	14%*
Operating income (EBIT) ²⁾	1,315	1,580	20%
EBIT margin in %	15.5	16.3	
Interest expense, net ²⁾	337	371	
Income before income tax ²⁾	978	1,209	24%
Income Tax expense ²⁾	387	466	
Tax rate	40%	39%	
Minority interest	17	26	
Net income ²⁾	574	717	25%

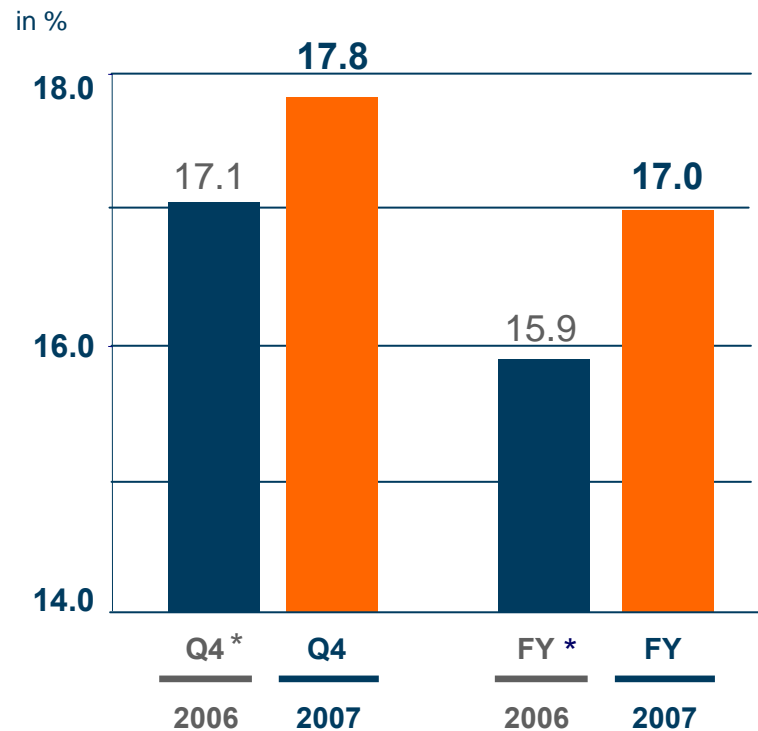
* 12% growth at constant currency, 6% organic growth

1) Excluding one-time items in 2006

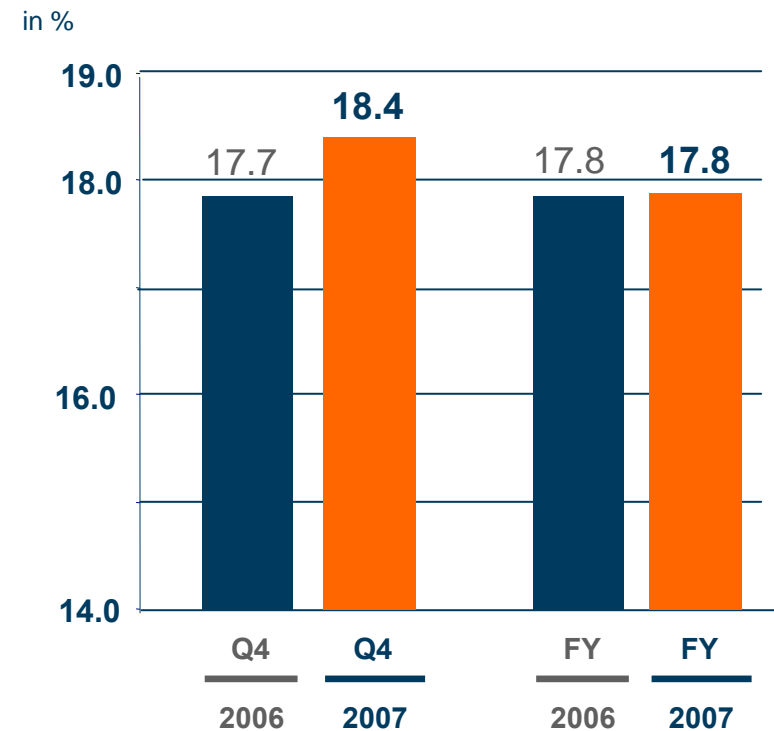
2) A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.

Overall Impressive Improvement

North America



International



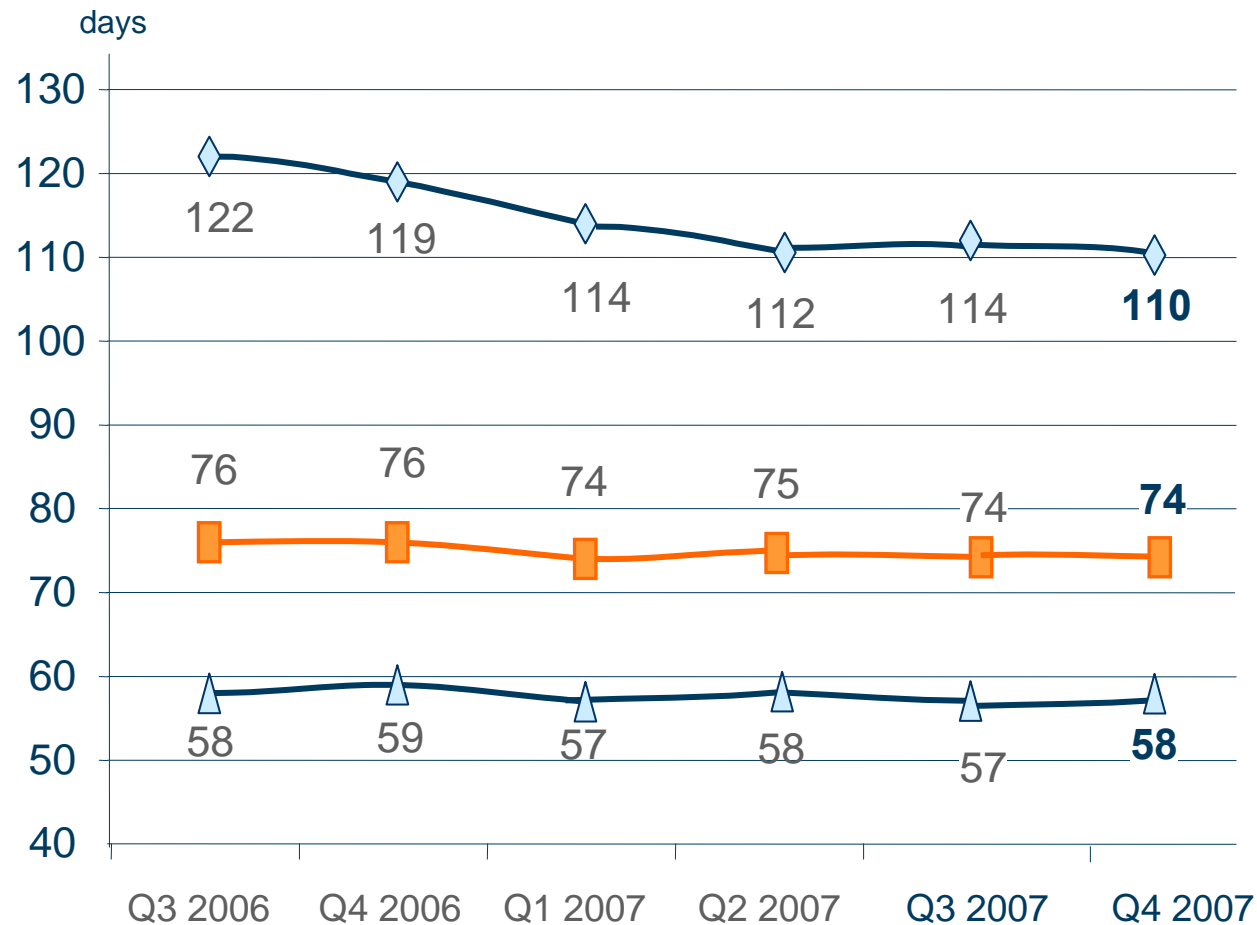
* Excluding one-time items

Days Sales Outstanding (DSO)



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Best in Industry



International

FME Total

North America

Cash Flow



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\$ in millions	Q4 2006	Q4 2007	Growth
Net cash provided by operating activities ¹⁾	443	309 12.0% of revenue	(30%)
Capital expenditures (net) ¹⁾	(177)	(184)	
Free Cash Flow	266	125	(53%)
Acquisitions, net of divestitures ¹⁾	(115)	(118)	
Free Cash Flow after acquisitions	151	7	
Free Cash Flow after acquisitions excluding RSI	151	107	

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

Cash Flow



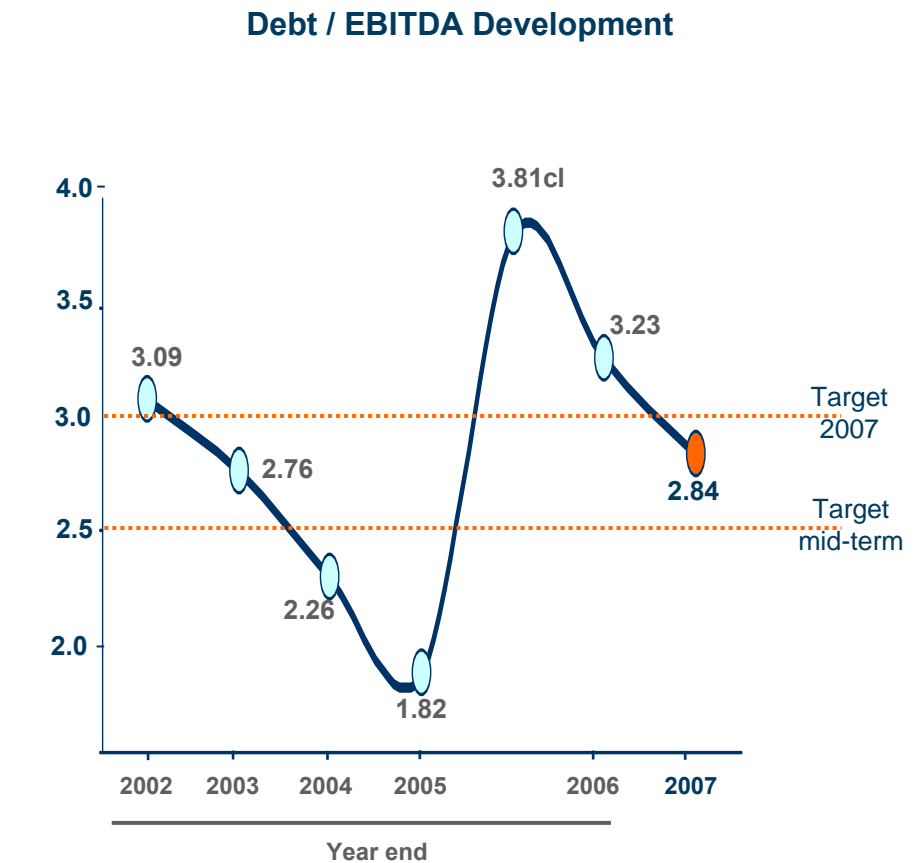
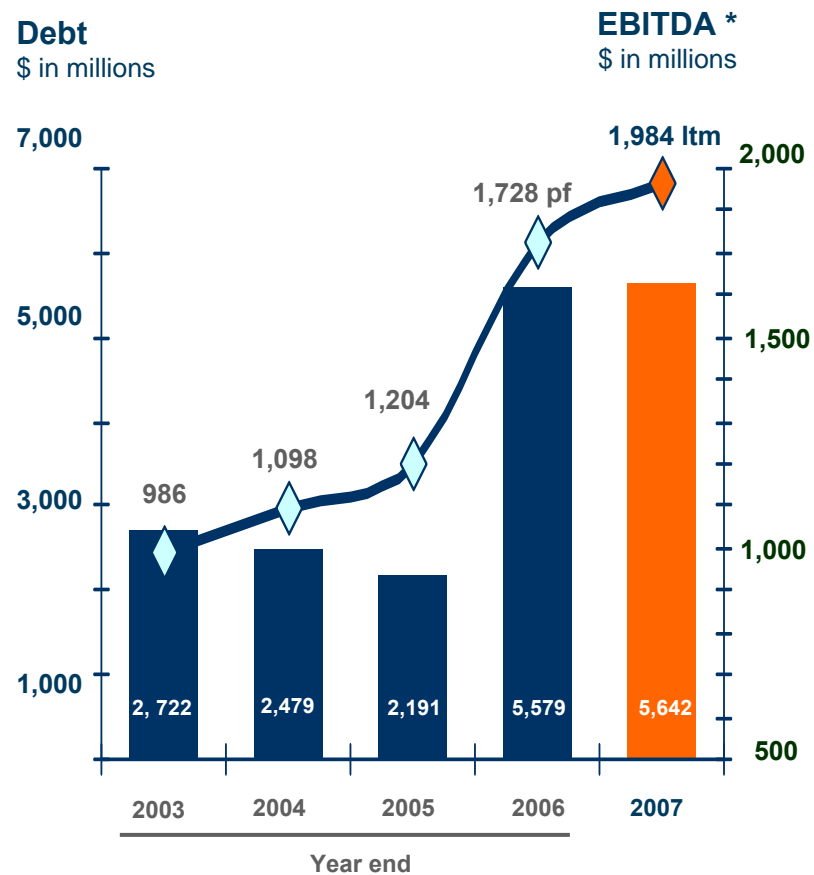
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\$ in millions	FY 2006	FY 2007	Growth
Net cash provided by operating activities ¹⁾	1,106	1,200 12.3% of revenue	9%
Capital expenditures (net) ¹⁾	(450)	(549)	
Free Cash Flow	656	651	
Acquisitions, net of divestitures ¹⁾	(159)	(228)	
Free Cash Flow after acquisitions	497	423	
Free Cash Flow after acquisitions excluding RSI	497	543	

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

Debt / EBITDA Development

De-leveraging ahead of schedule



pf = pro forma ltm = last twelve months cl = closing RCG

* including non-cash charges and excluding restructuring costs, in-process R&D and gain from the sale of dialysis clinics.
A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.

Debt Portfolio / Interest Expenses

- Largely insulated from interest rate & liquidity risks
- Declining average interest rate as Trust Preferred Securities mature
- Lower variable rates / ~1% benefit in EAT from 100 bps Libor reduction

Currency

- Diversified global production, operating cost base and debt portfolio provide natural hedges against currency fluctuations

Taxes

- German Tax Reform provides minor benefits
- Continued incremental improvement expected going forward

Cost Management

- Improved scale economies in emerging markets
- Nursing academy
- New clinic IT-system
- Labour hours per treatment reductions
- Excellent manufacturing performance

Outlook 2008



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\$ in millions	Guidance
Net Revenues	> \$10,400
Net Income	\$805 - 825
Leverage ratio (Debt/EBITDA)	< 2.8
Capital Expenditure	~ \$650 - 750
Acquisitions	~ \$150 - 250

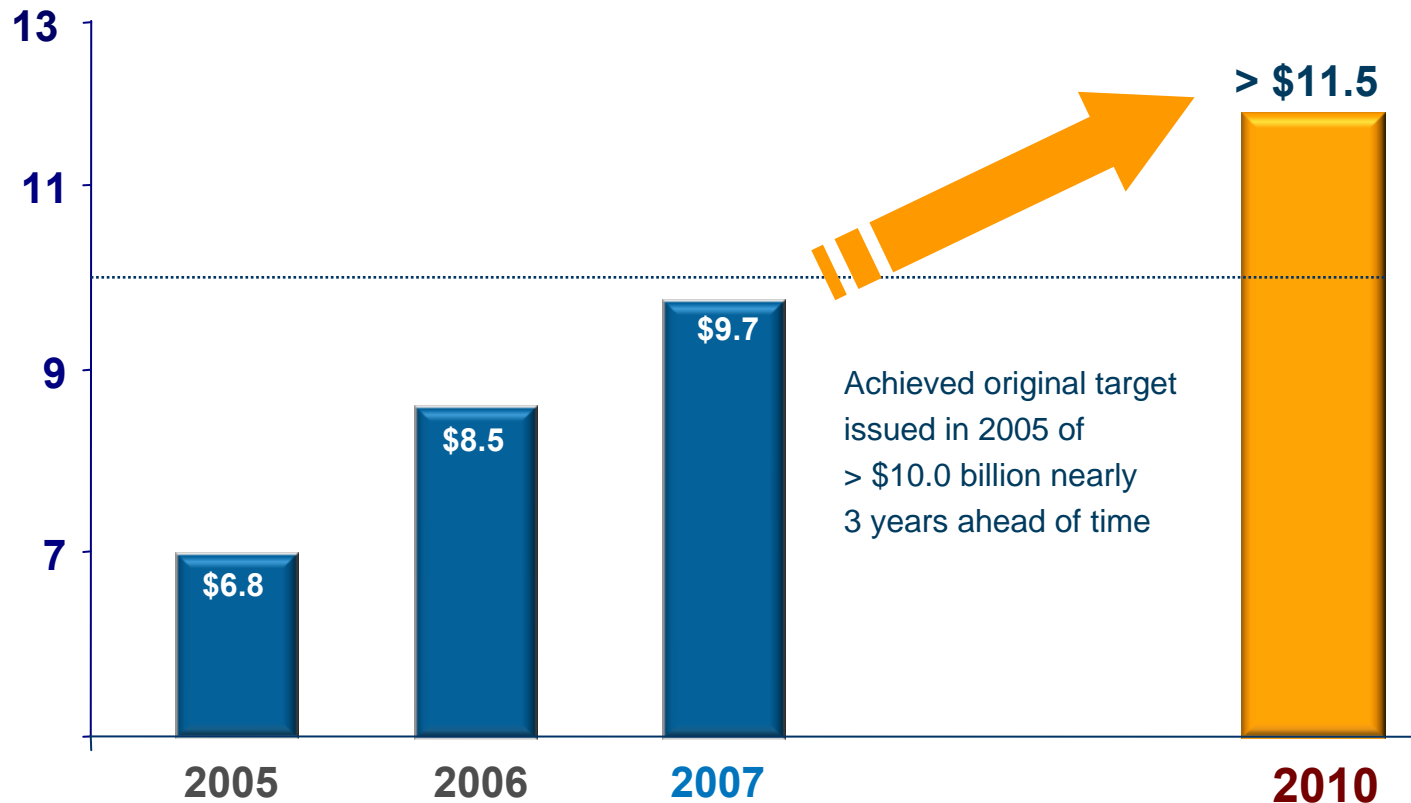
- ▶ **Another strong year ahead**
- ▶ **Increased investment budget driven by further growth opportunities**

2010 Revenue Target



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Revenue
\$ in billions



Sustainable Growth of Earnings After Tax – Low to Mid-Teens per year



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



Q&A Session



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Dialysis Services - Global

FY 2007	Clinic	Patients	Treatments (in million)
Total	2,238	173,863	26.4
Growth	+ 6%	+ 6%	+ 11%
North America	1,602	121,431	18.5
Growth	+ 3%	+ 3%	+ 9%
International	636	52,432	8.0
Growth	+ 16%	+ 15%	+ 16%
Europe	362	26,902	4.1
Latin America	169	17,741	2.7
Asia-Pacific	105	7,789	1.2

Attachment I



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

All numbers are in \$ millions

Debt	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003
Short term borrowings (incl. A/R program) ¹⁾	217	331	151	419	90
+ Short term borrowings from related parties	2	5	19	6	30
+ Current portion of long-term debt and capital lease obligations	85	160	126	230	90
+ Current portion of Trust Preferred Securities	670				
+ Long-term debt and capital lease obligations, less current portion	4,004	3,829	707	545	1,112
+ Trust Preferred Securities (net of current portion)	664	1,254	1,188	1,279	1,242
+ Accounts receivable securitization program	0	0	0	0	158
= Total debt	5,642	5,579	2,191	2,479	2,722
EBITDA	FY 2007	FY 2006 ²⁾ (pro forma)	FY 2005	FY 2004	FY 2003
Last twelve months operating income (EBIT)	1,580	1,367	939	852	757
+ Last twelve months depreciation and amortization	363	326	251	233	216
+ Non-cash charges	41	35	14	13	13
= EBITDA (annualized)	1,984	1,728	1,204	1,098	986

1) A/R securitization program off-balance sheet in 2003 and included in short term borrowings from 2004 onwards

2) Excluding restructuring costs and in-process R&D

Attachment II



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

All numbers are in \$ millions

External Revenue	FY 2007	FY 2006	growth	cc	Q4 2007	Q4 2006	growth	cc
International product revenue	2,099	1,749	+ 20%	+ 11%	608	501	+ 21%	+ 9%
- Internal revenue	(253)	(189)			(75)	(51)		
= External revenue	1,846	1,560	+ 18 %	+ 10%	533	450	+ 18 %	+ 7%
North America product revenue	1,179	1,024	+ 15%		310	284	+ 9%	
- Internal revenue	(518)	(463)			(130)	(131)		
= External revenue	661	561	+ 18%		180	153	+ 17%	
TOTAL product revenue	3,278	2,773	+ 18%	+ 12%	918	785	+ 17%	+ 9%
- Internal revenue	(771)	(651)			(205)	(182)		
= External revenue	2,507	2,122	+ 18%	+ 12%	713	603	+ 18%	+ 10%
Capital expenditure (net)	FY 2007	FY 2006	Q4 2007	Q4 2006				
Purchase of property, plant and equipment	580	467	194	179				
- Proceeds from sale of property, plant and equipment	(31)	(17)	(10)	(2)				
= Capital expenditure (net)	549	450	184	177				

cc = constant currency

Attachment III



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

All numbers are in \$ millions

Operating performance before one-time items	FY 2007	FY 2006	growth	Q4 2007	Q4 2006	growth
Operating income (EBIT)	1,580	1,318	20 %	428	354	21 %
Gain from divestiture + restructuring + in-process R&D	-	(3)		-	25	
Operating income (EBIT) before one-time-items	1,580	1,315	20 %	428	379	13 %
Net income	717	537	34 %	197	152	30 %
Loss from divestiture, restructuring + in-process R&D	-	37		-	18	
Net income before one-time-items	717	574	25 %	197	170	16 %

Profit & Loss Account	Q4 2006	One-time items	Q4 2006 excluding one-time items
Net revenue	2,352		2,352
Operating income (EBIT)	354	25 *	379
EBIT- margin (%)	15.0		16.1
Interest expense, net	(96)		(96)
Income before income taxes	258	25	283
Income Tax expense	(99)	(7)	(106)
Tax rate (%)	38		38
Minority interest	(7)		(7)
Net income	152	18	170

* Restructuring costs of US\$ 22 m and US\$ 3 m in process R&D

Attachment IV



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

All numbers are in \$ millions

Profit & Loss Account	FY 2006	One-time items	FY 2006 excluding one-time items
Net revenue	8,499		8,499
Operating income (EBIT)	1,318	(3) *	1,315
EBIT- margin (%)	15.5%		15.5%
Interest expense, net	(351)	14 **	(337)
Income before income taxes	967	11	978
Income Tax expense	(413)	26	(387)
Tax rate (%)	43%		40%
Minority interest	(17)		(17)
Net income	537	37	574
Operating income North America			
		Q4 2006	FY 2006
Revenue		1,658	6,025
Operating income (EBIT)		260	965
EBIT margin (in % of revenue)		15.7%	16.0%
One-time-items		24	(7)
EBIT margin (in % of revenue) before one-time items		17.1%	15.9%

* US\$ 40 m gain from divestiture, less US\$ 32 m restructuring costs, US\$ 3 m in process R&D and US\$ 2 m costs for transformation of the legal form of the Company

** Write-off of deferred financing costs

Attachment V



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

All numbers are in \$ millions

Cash Flow	Q4 2007	FY 2007
Acquisitions	(118)	(258)
Proceeds from divestitures	-	30
Acquisitions, net of divestitures	(118)	(228)

Cash Flow	Q4 2006	Tax payments for prior years	RCG acquisition	Q4 2006
Net cash provided by operating activities	443			443
Capital Expenditures (net)	(177)			(177)
Free Cash Flow	266	-		266
Acquisitions and divestitures	(109)		(6)	(115)
Free Cash Flow after acquisitions and divestitures	157	-	(6)	151

Cash Flow	FY 2006	Tax payments for prior years	RCG acquisition	FY 2006
Net cash provided by operating activities	908	99	99	1,106
Capital Expenditures (net)	(450)			(450)
Free Cash Flow	458	99	99	656
Acquisitions and divestitures	(3,791)		3,632	(159)
Free Cash Flow after acquisitions and divestitures	(3,333)	99	3,731	497

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Reminder ...



Fresenius Medical Care

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