



Fresenius Medical Care

The World's Leading Renal Therapy Company



Analyst Meeting, February 22, 2006

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".



Agenda

I. Business Update

II. Financials Q4 / FY 2005

III. Q&A session



Achievements – FY 2005

Strong performance in all key metrics


- Organic revenue growth of 7%
- Positive revenue per treatment development worldwide
- Increased operating margins (EBIT) by 50 basis points ¹⁾
- Net income growth of 17% ¹⁾
 - Exceeded guidance
- Solid operating cash flow generation
- Voluntary SOX 404 compliance - One of very few Int'l companies


¹⁾ excl. one-time costs



Strong operating performance - FY 2005



Net revenue **\$ 6,772 m**  **+ 9%**
8% cc

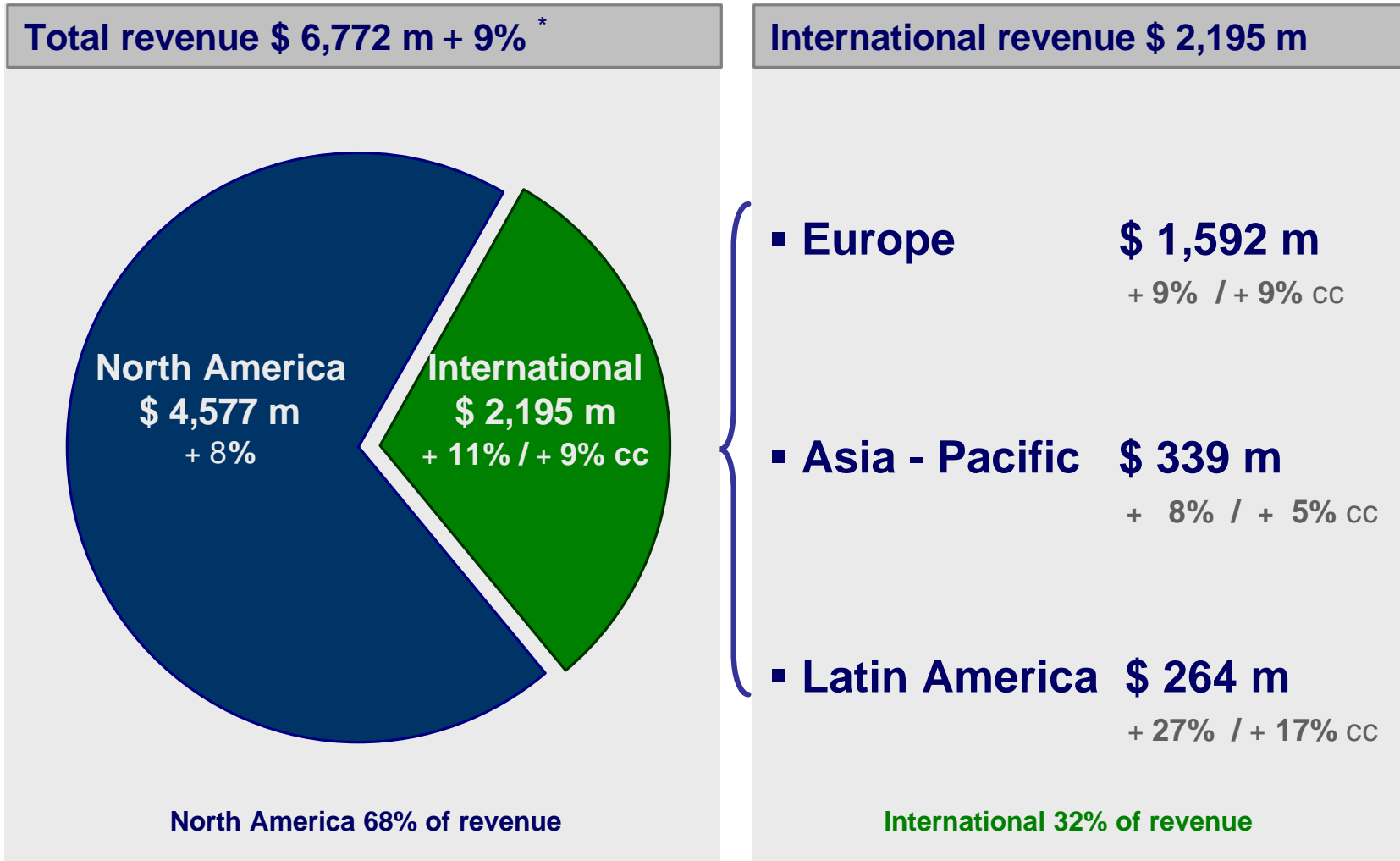
EBIT (excluding \$22m one-time costs) **\$ 961 m**  **+ 13%**

Net income (excluding \$17m one-time costs) **\$ 472 m**  **+ 17%**

Excellent result with increased profitability ...
...while growing above market.

cc = constant currency

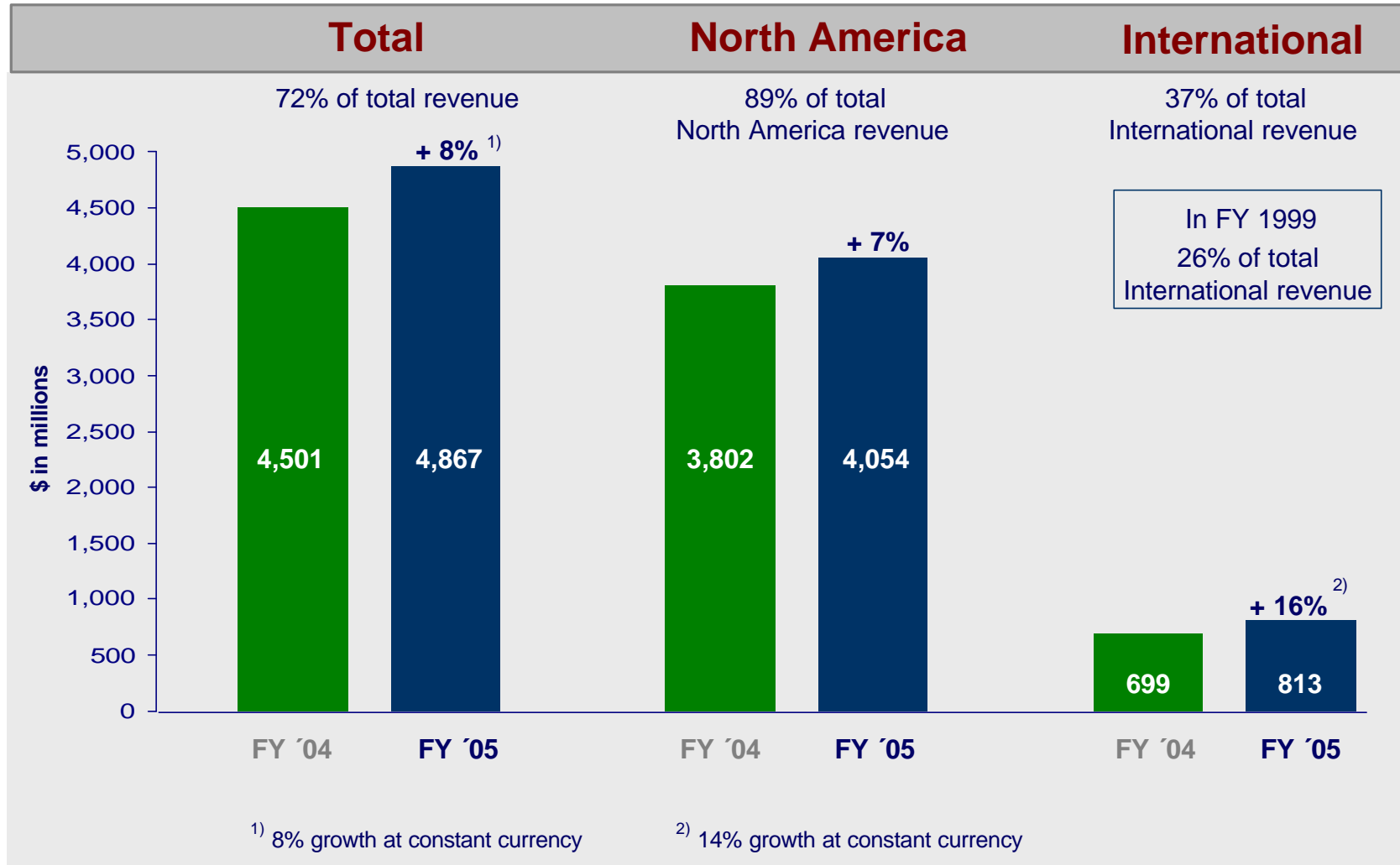
Strong revenue growth in FY 2005



* 8% growth at constant currency (cc)



Dialysis Services FY 2005



Dialysis Services FY 2005

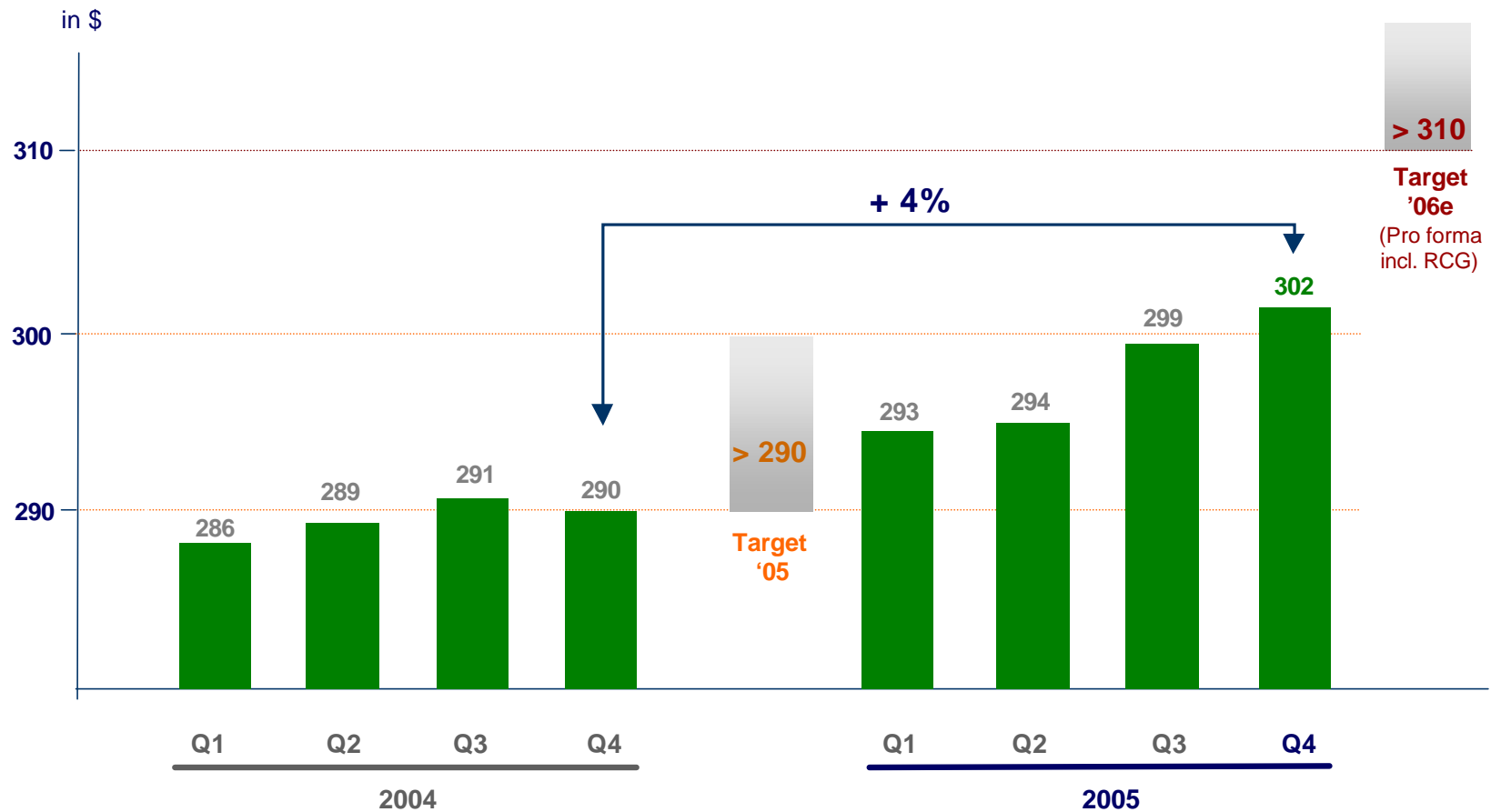
Focus on organic growth and revenue per treatment			
	Total	North America	International
Organic revenue growth	+ 6.8%	+ 5.9%	+ 12.6%
Same store treatment growth	+ 4.6%	+ 3.3% ¹⁾	+ 7.6%
Revenue per treatment	\$ 247	\$ 294 ²⁾	\$ 130
Treatments (in million)	19.7	13.5	6.3
Growth	+ 5.0%	+ 3.6%	+ 8.0%

¹⁾ excl. Mexico 3.0%

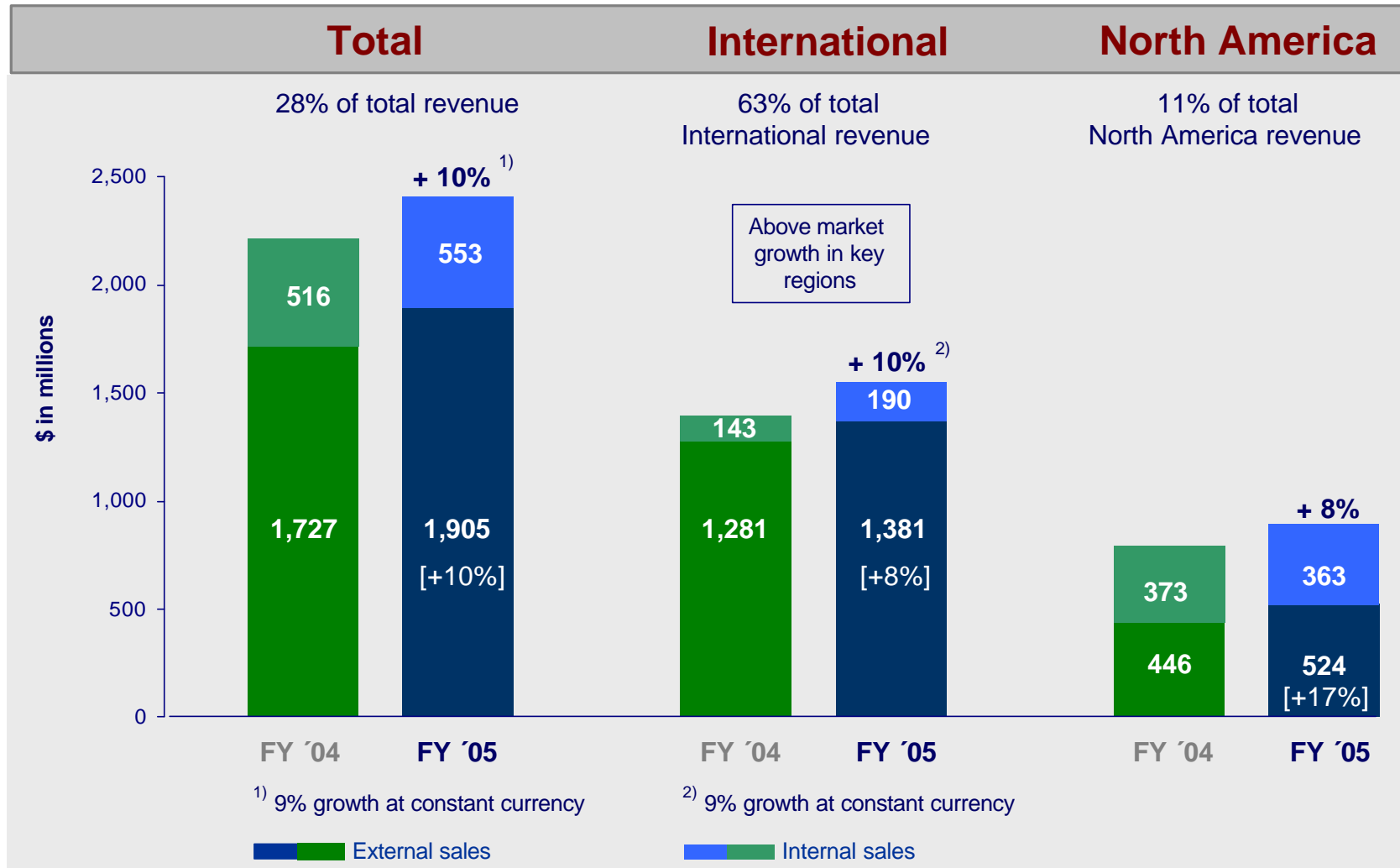
²⁾ excl. Mexico 297 US\$

Dialysis Services - U.S. operations

Revenue per treatment ahead of target and positive outlook



Dialysis Products FY 2005



Highlights North America - Q4 2005

Exceptional revenue growth with increasing profitability

Products - Exceptional external sales (+ 22%)

year over year, units

- Excellent demand for HD machines (2008K) + 27%
- Excellent demand for Optiflux single-use dialyzers + 28%
 - CarePak therapy system (single-use high flux dialyzers)
- Independent market single-use acceptance continuing
 - (year-end 2005 58% single-use)

Services – strong clinical & financial performance

year over year

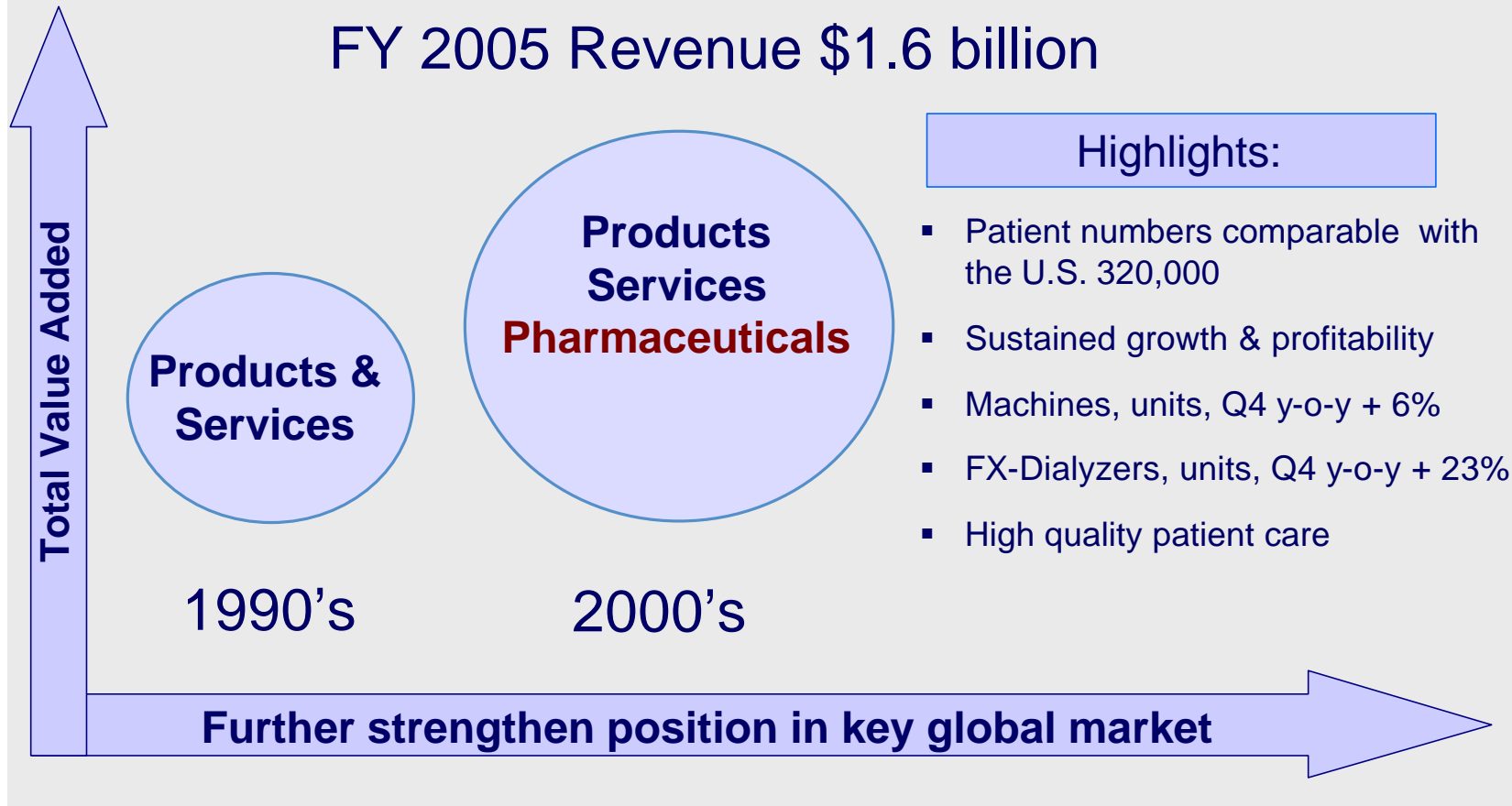
- Organic revenue growth - Despite impact of Hurricanes +7%
- CMS / Reimbursement update



Highlights Europe - Q4 2005

Exceptional revenue growth with continued strong profitability

FY 2005 Revenue \$1.6 billion

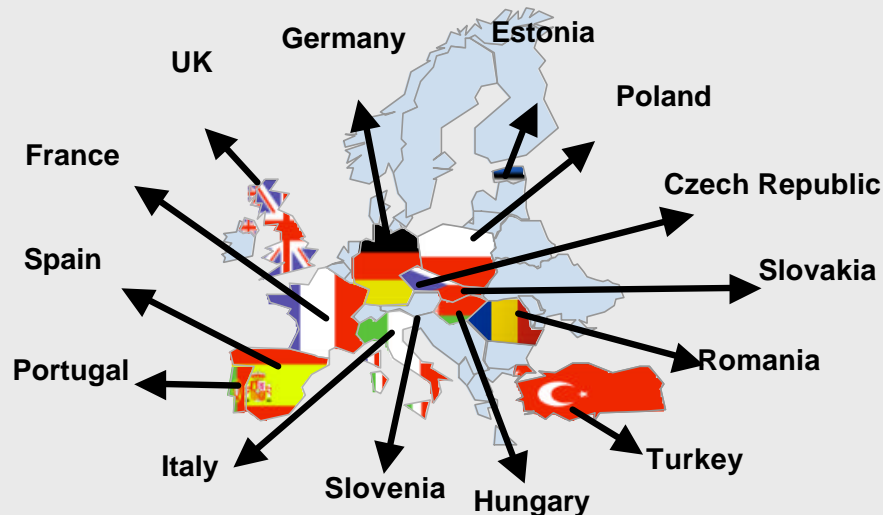


Highlights Europe Services - Q4 2005

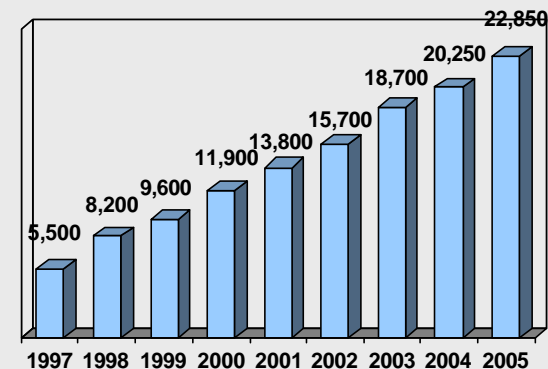
Exceptional revenue growth with continued strong profitability

- Exceptional organic revenue growth year over year
+ 16%
- Eastern Europe provider growth + 32%

325 clinics in 14 European countries



Patient Numbers



Highlights Asia Pacific - Q4 2005

Exceptional growth in key markets

Asia Pacific - Largest provider of dialysis services and products

- Revenue growth (excluding Japan) y-o-y ~ 15%_{cc}
- Product market share (excluding Japan) ~ 40%

Japan

- Successful restructuring

China

- Leading position in HD machines

Taiwan

- Successful single-use dialyzer program
 - Dialyzer sales, units + 54%

Challenges

- Next round of reimbursement cuts in Japan, April 2006

cc = constant currency



Strategic Projects Update

Conversion & Transformation

- Achieved 96% conversion ratio, which leads to:
 - 96.63m Ordinary shares with approx. 63% free float
 - 1.1m Preference shares not tendered

- Cash inflow of approx. €260 million (~\$310 m)

- Fresenius Medical Care AG & Co. KGaA trading since Feb 13, 2006

- Average daily Xetra trading volume of ordinary shares is up >15% vs the last 6 months



Strategic Projects Update

RCG Acquisition

- Identified overlapping markets with FTC and determined clinics to be sold
- Definitive agreement to divest approx. 100 clinics, treating on average 60-65 patients
 - Proceeds of ~\$450 million
- RCG continues to perform well
- Integration process proceeding smoothly
- Synergy estimates confirmed in detailed integration planning
- Estimated closing date on or before March 31, 2006



RCG & FME - Update

COMBINING THE BEST

RCG & FME

Hired a significant number of key managers from RCG which together with the current FME managers will create a very strong organization.

RCG

- Right Start
- CQI Training Programs
- PD Program

&

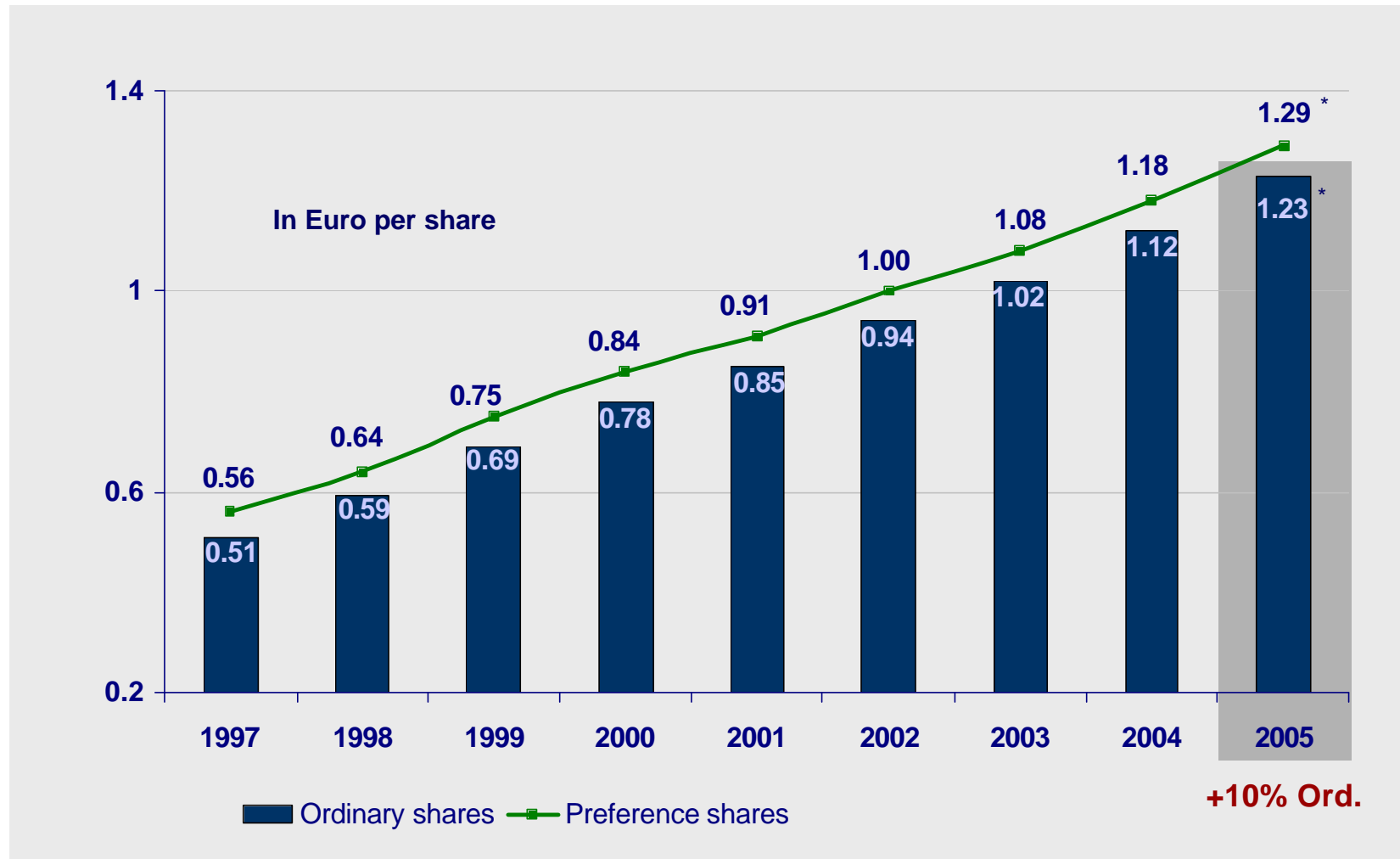
FME

- Organization Structure
- UltraCare
- Nocturnal Programs

FME = Fresenius Medical Care
RCG = Renal Care Group



2005: 9th consecutive annual dividend increase proposed



* To be approved by shareholders at the Annual General Meeting on May 9, 2006

Continued growth momentum

2006

North America focus on:

- Above market patient growth and quality outcomes
- Successful integration of RCG
- Integrated care
- Expand single-use and introduce next generation of HD/PD products

Europe focus on:

- Expand vertical integrated business model in Europe
- Acquisitions
- Keep high profitability
- Innovation - Sales expansion of 5008 machine

2007 ff.

Revenue **6 - 9% p.a. expected** (at constant currency)

Earnings **Sustainable double digit growth p.a. expected**

Cash Flow **Strong and stable**



Agenda

I. Business Update

II. Financials Q4 / FY 2005



Excellent top and bottom line growth - Q4

\$ in millions	Q4 2004	Q4 2005	%
Net revenue	1,640	1,772	+ 8*
<i><u>Excluding one-time costs</u></i>			
Operating income (EBIT) ¹⁾	227	258	+ 14
EBIT margin in %	13.9	14.6	
Net income ¹⁾	108	127	+ 18
Operating income (EBIT)	227	244	+ 7
EBIT margin in %	13.9	13.8	
Net income	108	116	+ 7

* 10% growth at constant currency

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



Excellent top and bottom line growth - FY 2005

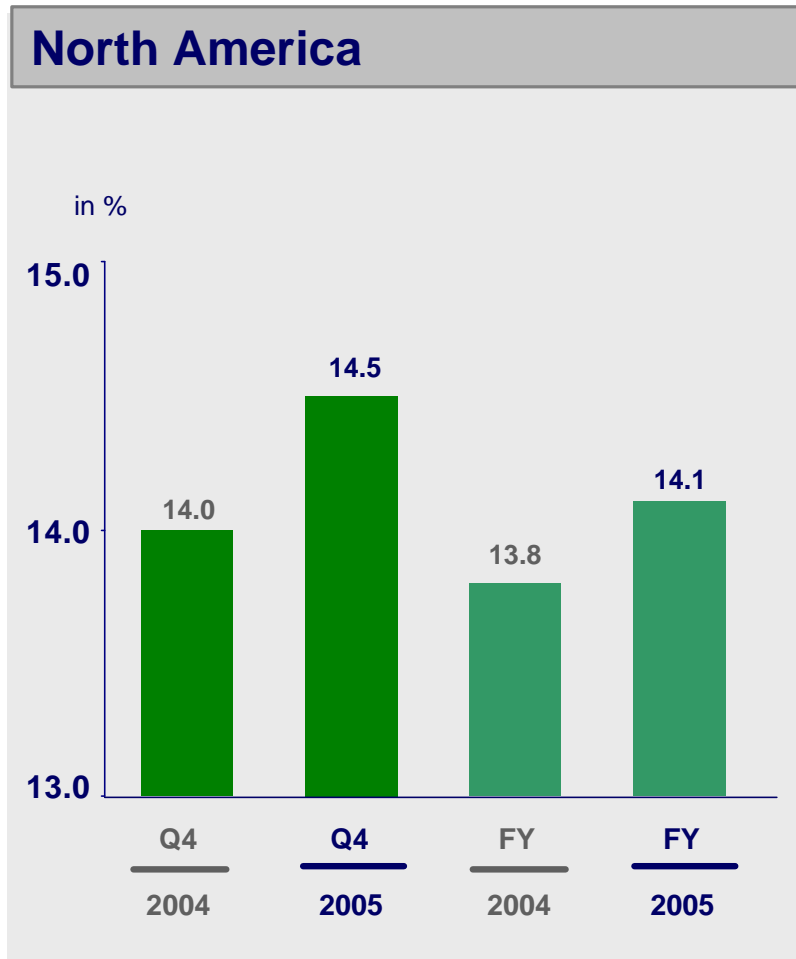
\$ in millions	FY 2004	FY 2005	%
Net revenue	6,228	6,772	+ 9*
<i><u>Excluding one-time costs</u></i>			
Operating income (EBIT) ¹⁾	852	961	+ 13
EBIT margin in %	13.7	14.2	
Net income ¹⁾	402	472	+ 17
Operating income (EBIT)	852	939	+ 10
EBIT margin in %	13.7	13.9	
Net income	402	455	+ 13

* 8% growth at constant currency

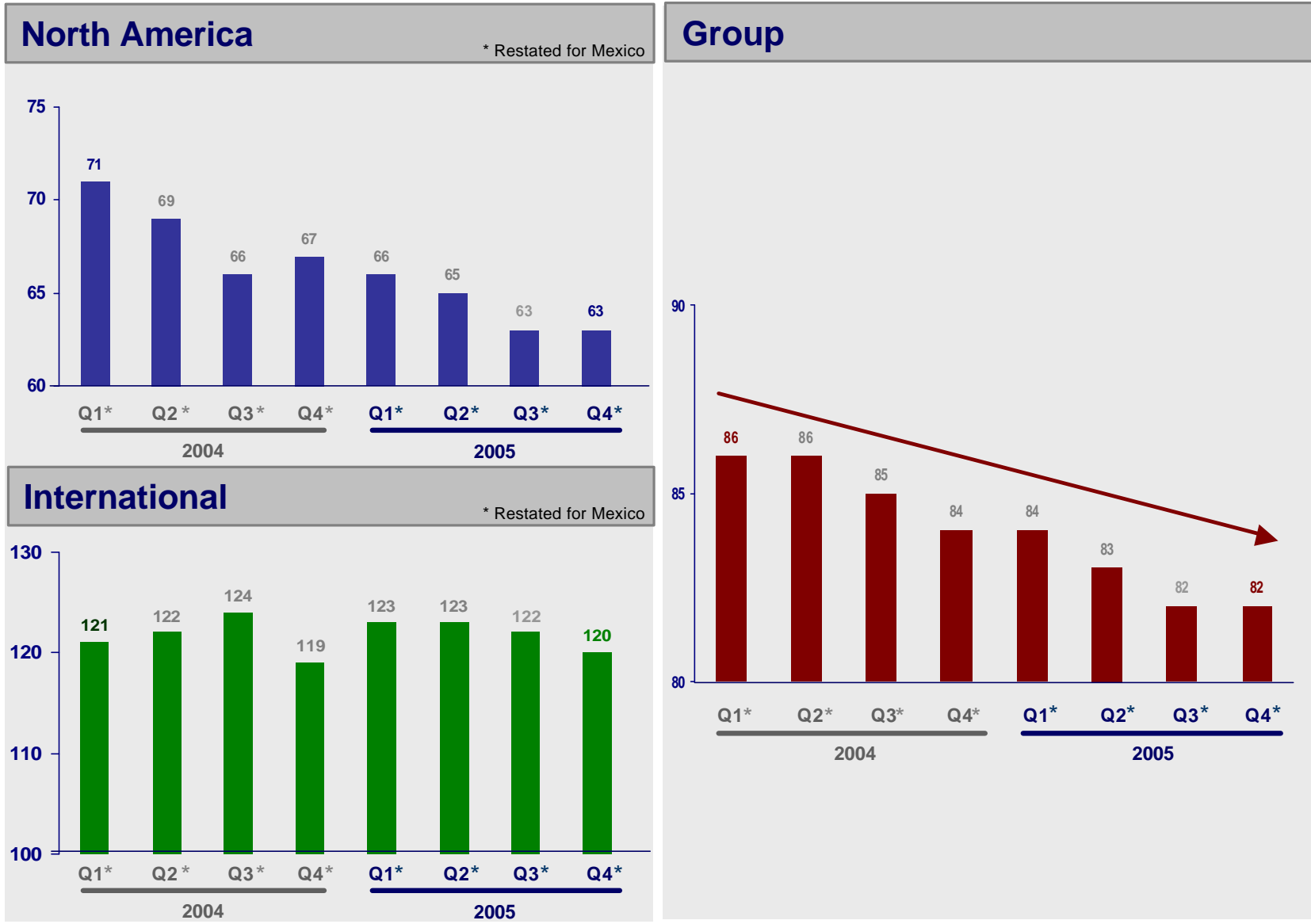
¹⁾ A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.



EBIT margin - strong development in both regions



Days Sales Outstanding (DSO) - impressive development



Cash Flow

\$ in millions	Q4 2004	Q4 2005	%	Adjusted ²⁾
Net cash provided by operating activities	268	200 11.3% of revenue	(25)	283 16.0% of revenue
Capital expenditures (net) ¹⁾	(117)	(135)		
Free Cash Flow	151	65	(57)	148
Acquisitions	(31)	(39)		
Free Cash Flow after acquisitions	120	26	(79)	109

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

²⁾ Adjusted for one-time costs and prior year tax payments.



Cash Flow

\$ in millions	FY 2004	FY 2005	%	Adjusted ²⁾
Net cash provided by operating activities	828	670 9.9% of revenue	(19)	805 11.9% of revenue
Capital expenditures (net) ¹⁾	(261)	(297)		
Free Cash Flow	567	373	(34)	508
Acquisitions	(104)	(125)		
Free Cash Flow after acquisitions	463	248	(46)	383

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

²⁾ Adjusted for one-time costs and prior year tax payments.



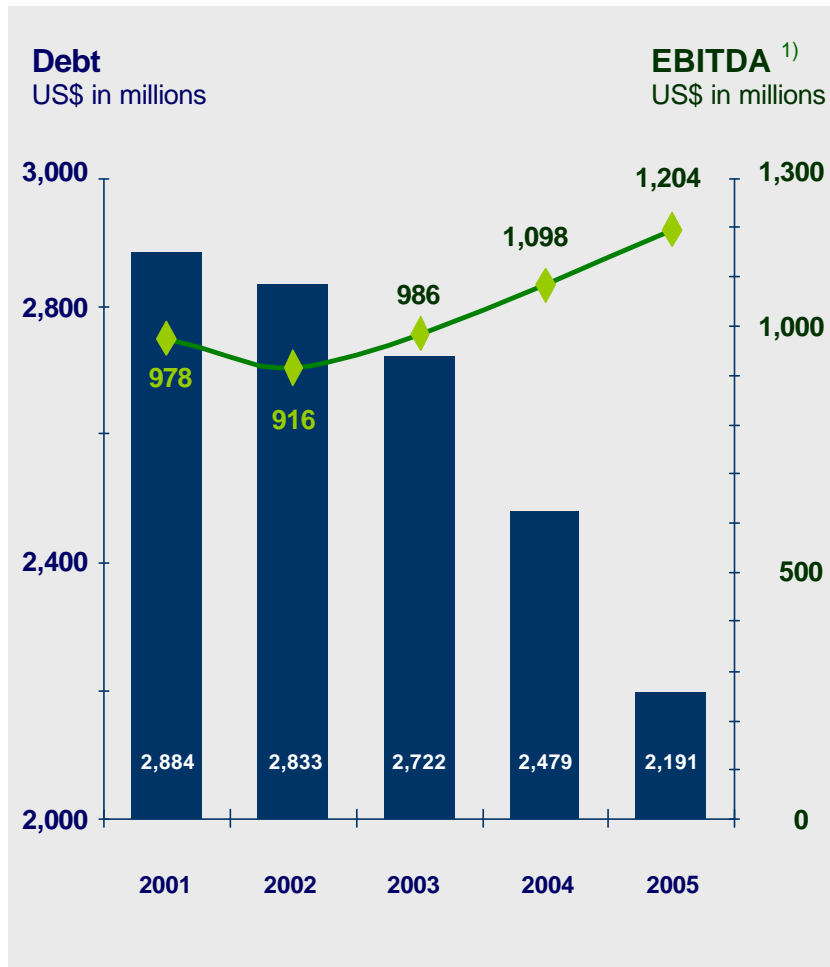
Debt / EBITDA - continued improvement

\$ in millions	December 31, 2004	December 31, 2005
EBITDA (annualized) ¹⁾	1,098	1,204
Dec. 31, 2004 Debt ¹⁾		2,479
+ CapEx ¹⁾		297
+ Acquisitions		125
+ Dividend payment		137
+ Cash		26
+ Others		7
- FX-debt translation effects		130
- Proceeds from exercising stock options		80
- Cash from operating activities		670
December 31, 2005 Debt ¹⁾	2,479	2,191
Total Debt / EBITDA	2.26	1.82

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



Debt / EBITDA development 2001-2005



¹⁾ including non-cash charges

pf = pro forma

e = expected



Impact of one-time items and SFAS 123R

\$ in millions	FY 2005	FY 2006e
EBIT impact		
Transformation & Settlement	(22)	(1)
RCG integration costs		(50)
Change in stock option compensation expense (SFAS 123R)		(14)
Total	(22)	(64)
Earnings after tax impact		
Transformation & Settlement	(17)	(1)
RCG integration costs		(30)
Write-off FME prepaid financing fees		(9)
Change in stock option compensation expense (SFAS 123R)		(14)
Total	(17)	(54)
Potential additional impact		
Net impact of sale of dialysis clinics		To be determined



Guidance FY 2006

	FY 2005 In US\$ m	<i>Pro forma</i> ¹⁾ Guidance 2006 ²⁾	<i>Pro forma</i> ¹⁾ Full Year 2006	<i>As reported</i> March 31, 2006 closing assumed
Net revenue growth (at constant currency)	6.772	+ 25%	~ \$ 8.4 bn	~ \$ 8.1 bn
Net income growth ²⁾	472	+10 - 15%	\$520-540 m	\$515-535 m
Capital expenditure	297	~ 450 m		
Acquisition budget	125	~ 100 m		
Leverage ratio (Debt/EBITDA)	1.82	< 3.6		

¹⁾ pro forma = RCG consolidation for 12 months

²⁾ excl. one-time items and SFAS 123R such as Transformation and Settlement costs, RCG integration costs, write-off FME prepaid financing fees, the net impact of the sale of dialysis clinics, and the change in stock option compensation expense (SFAS 123R) (see slide on page 29)





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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)	FY 2005	FY 2004	Q4 2005	Q4 2004
Purchase of property, plant and equipment	315	279	139	122
- Proceeds from sale of property, plant and equipment	(18)	(18)	(4)	(5)
= Capital expenditure (net)	297	261	135	117

Debt	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
Short term borrowings (incl. A/R program) ¹⁾	151	419	90	125	93
+ Short term borrowings from related parties	19	6	30	6	15
+ Current portion of long-term debt and capital lease obligations	126	230	90	22	165
+ Long-term debt and capital lease obligations, less current portion	707	545	1,112	1,089	736
+ Trust Preferred Securities	1,188	1,279	1,242	1,145	1,429
+ Accounts receivable securitization program	0	0	158	445	446
Total debt	2,191	2,479	2,722	2,833	2,884

EBITDA	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
Last twelve months operating income (EBIT)	939	852	757	695	765
+ Last twelve months depreciation and amortization	251	233	216	211	203
+ Non-cash charges	14	13	13	10	10
= EBITDA (annualized)	1,204	1,098	986	916	978

1) 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	FY 2005	FY 2004	growth	constant currency		
International product revenue	1,571	1,424	+10%	+ 9%		
- Internal revenue	(190)	(143)	+ 32%	+ 28%		
= External revenue	1,381	1,281	+8%	+ 7%		
North America product revenue	887	819	+ 8%			
- Internal revenue	(363)	(373)	- 2%			
= External revenue	524	446	+ 17%			
Operating performance before one-time costs						
Operating performance before one-time costs	FY 2005	FY 2004	growth	Q4 2005	Q4 2004	growth
Operating income (EBIT)	939	852	10%	244	227	7%
Transformation and settlement	22	0		14	0	
Operating income (EBIT) before one-time-costs	961	852	13%	258	227	14%
Net income	455	402	13%	116	108	7%
Transformation and settlement	17	0		11	0	
Net income before one-time-costs	472	402	17%	127	108	18%
Cash Flow						
Cash Flow	FY 2005	FY 2004	Q4 2005	Q4 2004		
Net cash provided by operating activities	670	828	200	268		
+ Net tax payments for prior years	124	1	78	-14		
+ Cash out for transformation & settlement	11	0	5	0		
= Net cash adjusted	805	829	283	254		



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Ordinary shares **96.6 million**

WKN 578 580
ISIN DE0005785802
SEDOL1 5129074 DE

Preference shares **1.1 million**

WKN 578 583
ISIN DE0005785836
SEDOL1 5160073 DE





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