



Fresenius Medical Care

The World's Leading Renal Therapy Company



Analyst Meeting, August 4, 2005

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 Q2 / H1 2005

III. Q&A session

Strong operating performance – Q2 2005



▪ **Net revenue** **\$ 1,674 m** **+ 8%**
6% cc

▪ **Net income** **\$ 116 m** **+ 15%**

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

cc = constant currency

Strategic Projects On Target

RCG Acquisition

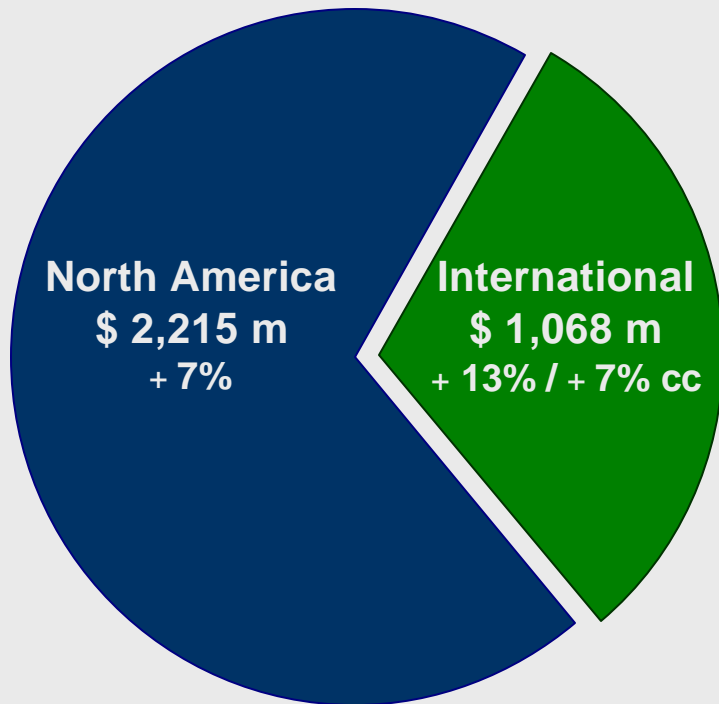
- 2nd request from Federal Trade Commission
- Three senior RCG executives to join after closing
- Integration process proceeding smoothly
- Estimated closing date Q4 2005

Moving Toward One Share Class

- Extraordinary General Meeting scheduled for August 30, 2005
- Continued positive investor feedback

Strong revenue growth in H1 2005

Total revenue \$ 3,283 m + 9% *



North America 67% of total revenue

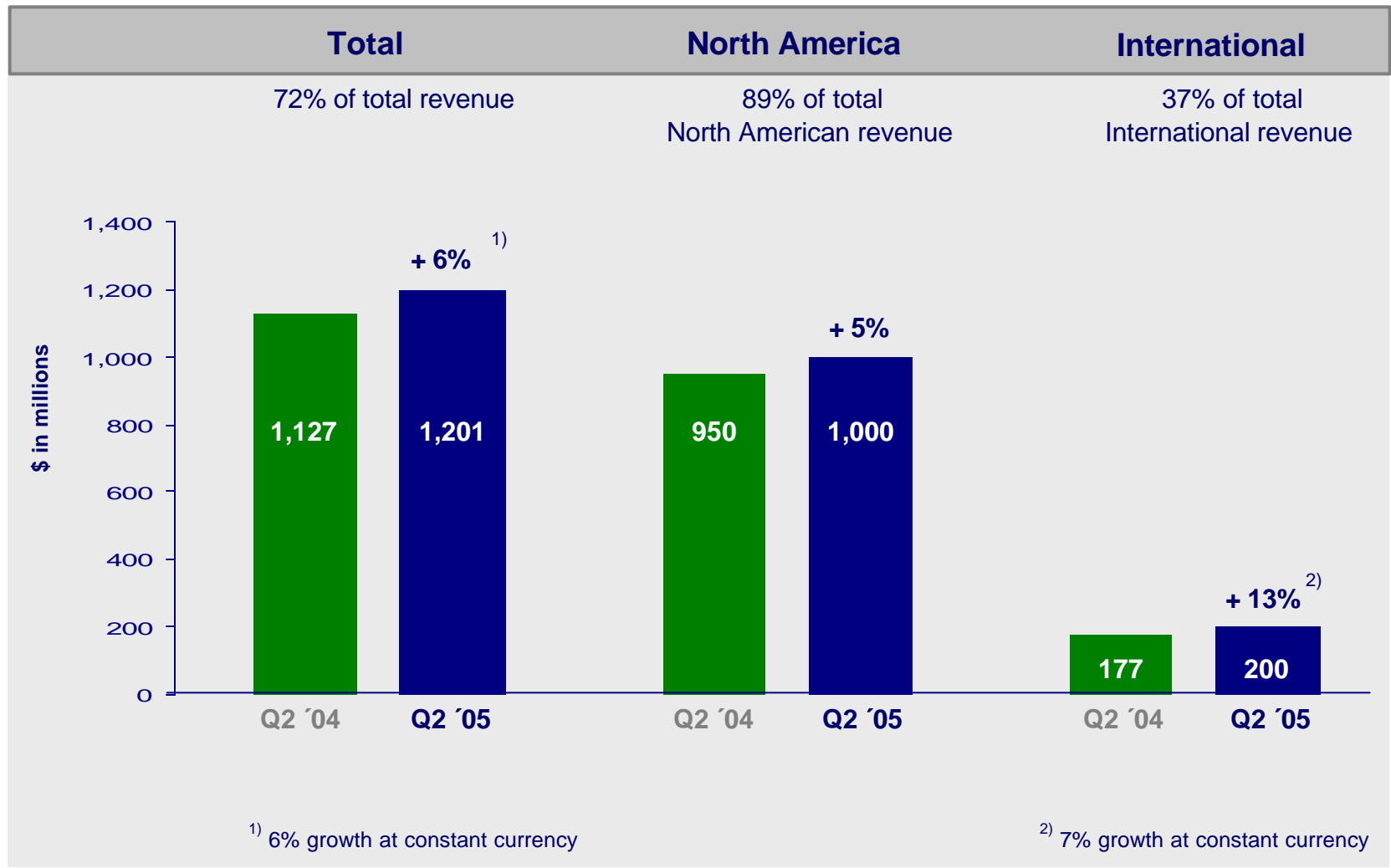
International revenue \$ 1,068 m

- **Europe** **\$ 787 m**
 + 13% / + 7% cc
- **Asia - Pacific** **\$ 159 m**
 + 3% / - 2% cc
- **Latin America** **\$ 122 m**
 + 28% / + 19% cc

International 33% of total revenue

* 7% growth at constant currency (cc)

Dialysis Services Q2 2005



Dialysis Services Q2 2005

Focus on organic growth and revenue per treatment

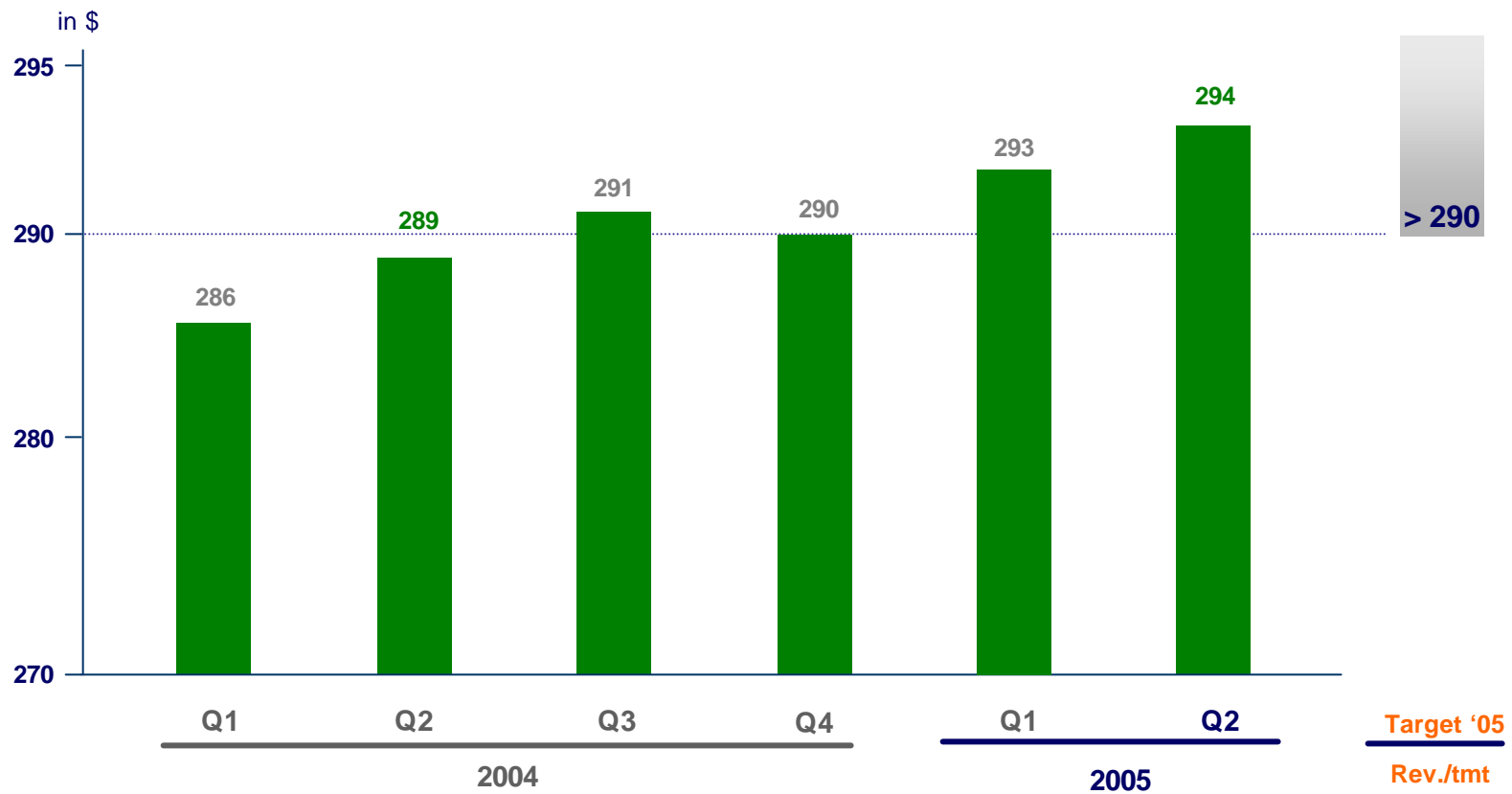
	Total	North America	International
Organic revenue growth	+ 5.8%	+ 4.8%	+ 11.6%
Same store treatment growth	+ 4.7%	+ 3.3% ^{1) 2)}	+ 7.1%
Revenue per treatment	\$ 246	\$ 294 ²⁾	\$ 131
Treatments (in million)	4.88	3.36	1.53
Growth	+ 4.6%	+ 3.9%	+ 6.0%

¹⁾ In-center growth of ~ 3.6%

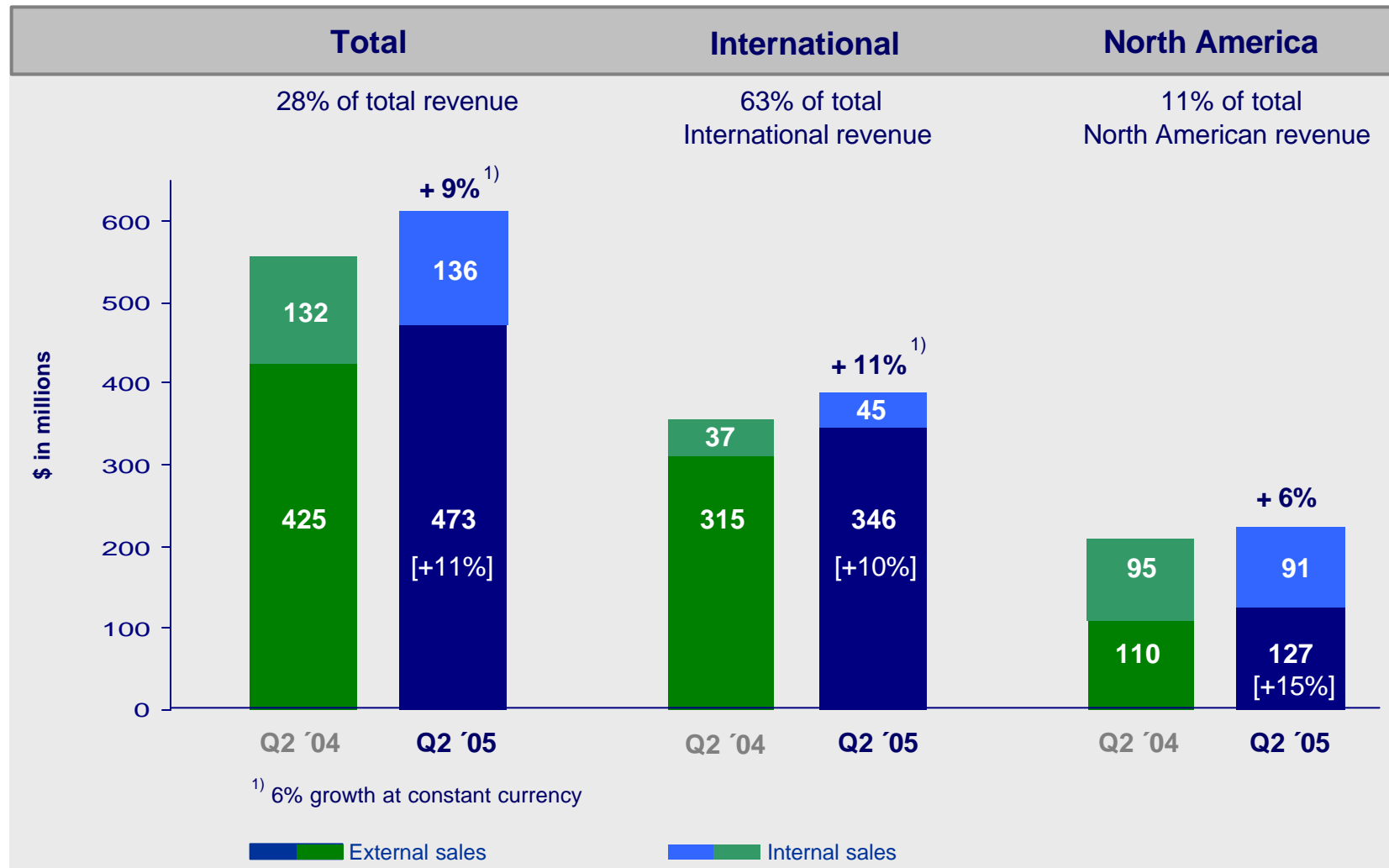
²⁾ US operations

Dialysis Services – U.S. operations

Revenue per treatment ahead of target



Dialysis Products Q2 2005



Highlights North America – Q2 2005

Products & Hospital Group - Exceptional external sales (+ 15%)

	year over year, units
▪ Excellent demand for HD machines (2008K)	+ 30%
▪ Excellent demand for Optiflux single-use dialyzers	+ 26%
▪ 2005 product launches	
- Optiflux e-beam dialyzers	
- 2008K@Home	

Services (without Mexico) - Strong organic growth (+ 5%)

	year over year
▪ Continued revenue/treatment increase	+ 1.7%
▪ Above market <u>in-center</u> same store growth	+ 3.6%
▪ Effective cost management (per treatment)	+ 0.7%
▪ Successful <u>in-center</u> nocturnal HD (patient growth)	+ 22%

Highlights International – Q2 2005

Exceptional revenue growth with continued strong profitability

Products - Europe/Latin America

- | | year over year |
|--|----------------|
| ▪ FX hemodialyzers, units | + 30% |
| ▪ Peritoneal dialysis, patients | + 11% |
| ▪ Launched 5008 series of HD machines | |
| - Complete menu of advanced therapy options | |
| - Market-driven ease of use features | |
| - > 200,000 internal Rx to ensure reliability at market introduction | |

Services - Europe

- | | year over year |
|--|----------------|
| ▪ Exceptional organic revenue growth | + 14% |
| ▪ Eastern Europe provider growth | + 17% |
| ▪ Reimbursement increases (Turkey, France, Portugal) | |

Achievements – Q2 2005

Strong performance on all key metrics

- **Strong organic growth of 6%**
- **Good revenue per treatment development in North America**
- **Bottom line growth of 15%**
- **Strong operating and financial performance**
- **Solid quarterly operating cash flow generation**

Upgrading full year net income guidance

Agenda

II. Financials Q2 / H1 2005

Strong top and bottom line growth

\$ in millions	Q2 2004	Q2 2005	%
Net revenue	1,552	1,674	+ 8*
Operating income (EBIT)	213	238	+ 12
EBIT margin in %	13.7	14.2	
Net income	101	116	+ 15
EPS per ordinary shares (\$)	1.04	1.20	+ 15

* 6% growth at constant currency

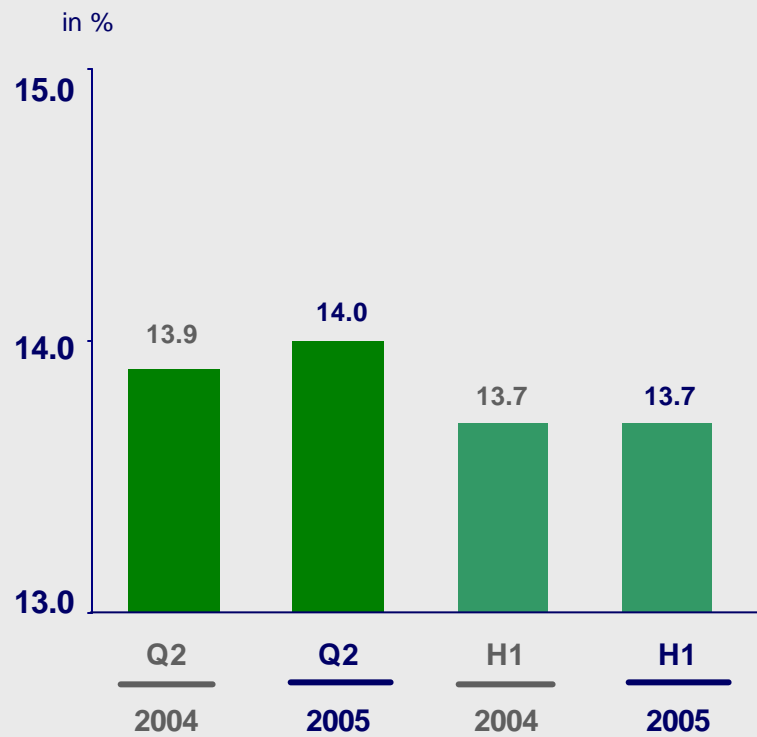
Strong top and bottom line growth

\$ in millions	H1 2004	H1 2005	%
Net revenue	3,011	3,283	+ 9[*]
Operating income (EBIT)	411	458	+ 11
EBIT margin in %	13.6	14.0	
Net income	192	223	+ 17
EPS per ordinary shares (\$)	1.98	2.31	+ 17

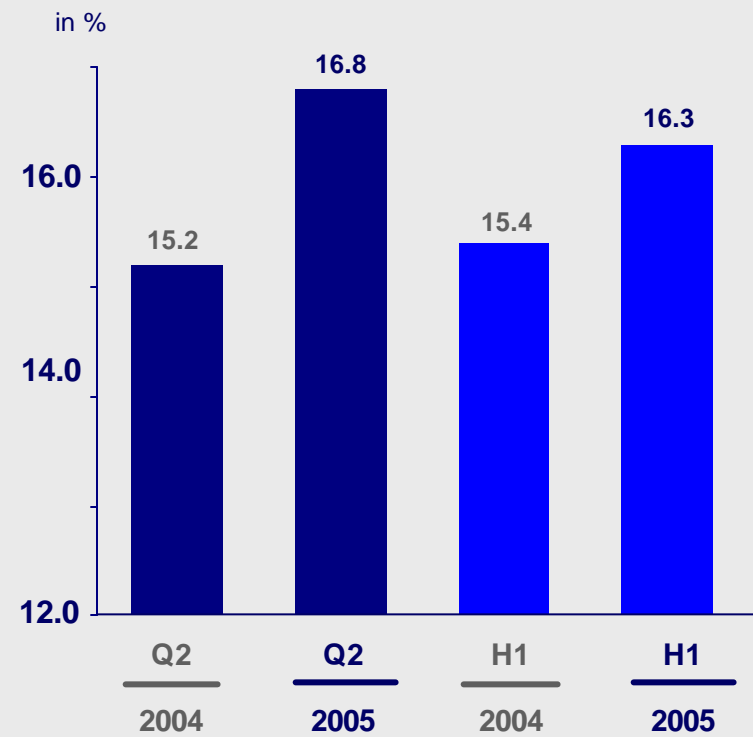
* 7% growth at constant currency

EBIT margin

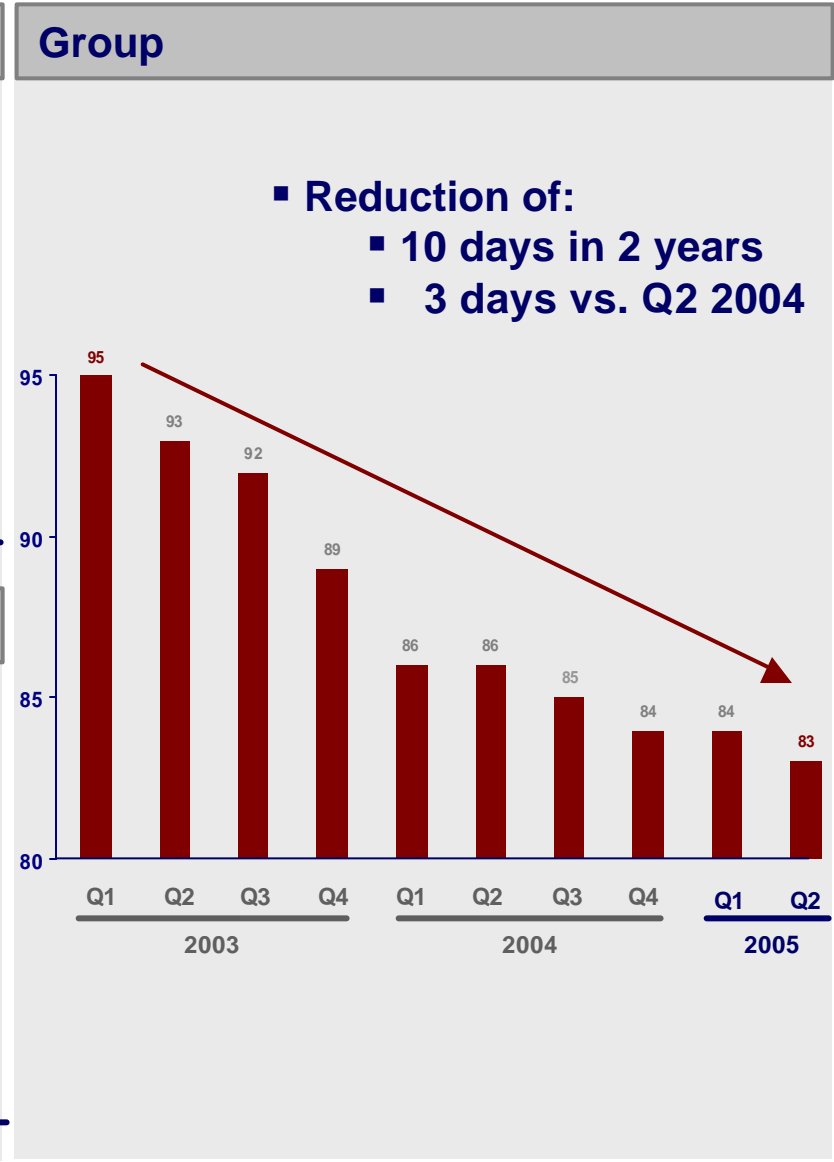
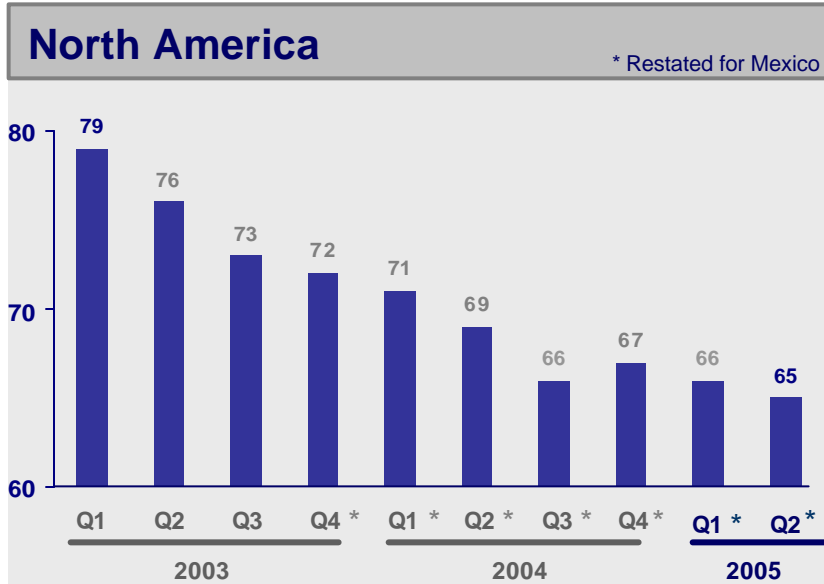
North America



International



Days Sales Outstanding (DSO) – impressive development



Operating Cash Flow

Impacted by:

- Higher income tax payments
 - Increase in inventory
 - Less improvement in Days Sales Outstanding compared to Q2 2004
- } **Timing**

Underlying solid performance with some timing and one-time effects

Cash Flow

\$ in millions	H1 2004	H1 2005	%
Net cash provided by operating activities	351	268	(24)
Capital expenditures (net) ¹⁾	(95)	(97)	
Free Cash Flow	256	171	(33)
Acquisitions	(52)	(52)	
Free Cash Flow after acquisitions	204	119	(42)


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


Financial ratio – continued improvement

\$ in millions	June 30, 2005	December 31, 2004
EBITDA (annualized) ¹⁾	1,150	1,098
Dec. 31, 2004 Debt ¹⁾	2,479	
+ CapEx ¹⁾	97	
+ Acquisitions	52	
+ Dividend payment	137	
- FX-debt translation effects	105	
- Others	4	
- Cash from operating activities	268	
June 30, 2005 Debt ¹⁾	2,388	2,479
Total Debt / EBITDA	2.08	2.26

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

Outlook 2005 [FME pre-RCG acquisition]

	Original guidance	H1 2005	Outlook
Net revenue (at constant currency)	6 - 9 %	+ 9% (7% cc)	confirm
Net income (before expected one-off costs of \$10 million)	low double-digit	+ 17%	 12 – 15%

Capital expenditure, net	~ \$350 - 400 m	\$ 97 m	confirm
Acquisition budget	~ \$200 - 250 m	\$ 52 m	 \$150 - 200 m

cc = constant currency

Conclusion

Q2 2005

- Again, demonstrated above-market revenue and very strong net income growth in an attractive industry

RCG Acquisition

- Acquisition of highly profitable company with excellent fit to existing service network is on track
- Approvals expected in fourth quarter of 2005

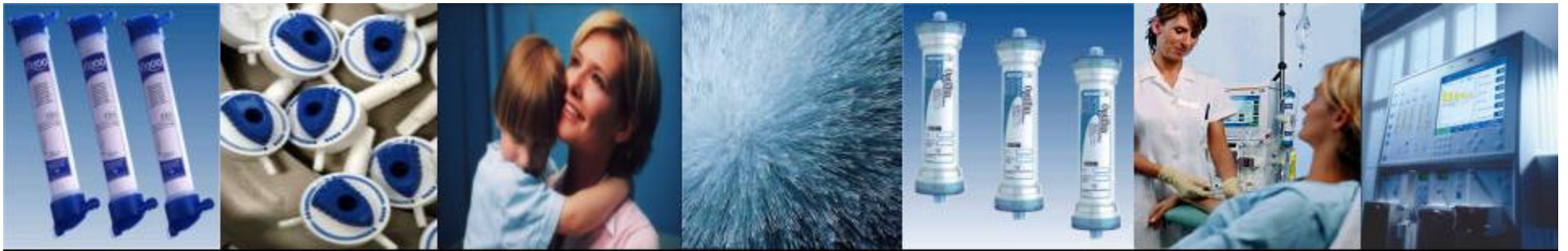
KGaA Transformation & Conversion

- Extraordinary General Meeting on August 30, 2005
- Tender period expected in October/November



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Attachment I

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

All numbers are in \$ millions

	H1 2004	H1 2005	Q2 2004	Q2 2005
Purchase of property, plant and equipment	101	105	58	61
- Proceeds from sale of property, plant and equipment	(6)	(8)	(4)	(3)
= Capital expenditure (net)	95	97	54	58

Debt	Dec. 31, 2004	June 30, 2005
Short term borrowings (incl. A/R program)	419	417
+ Short term borrowings from related parties	6	43
+ Current portion of long-term debt and capital lease obligations	230	255
+ Long-term debt and capital lease obligations, less current portion	545	465
+ Trust Preferred Securities	1,279	1,208
Total Debt	2,479	2,388

Attachment II

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

All numbers are in \$ millions

EBITDA	Q4 2004	Q2 2005
Last twelve months operating income (EBIT)	852	900
+ Last twelve months depreciation and amortization	233	240
+ Non-cash charges	13	10
= EBITDA (annualized)	1,098	1,150

External Revenue	H1 2004	H1 2005	Growth	Q2 2004	Q2 2005	Growth	constant currency
International product revenue	683	759	+11%	352	391	+11%	+6%
- Internal revenue	(70)	(86)	+22%	(37)	(45)	+22%	+15%
= External revenue	613	673	+10%	315	346	+10%	+5%
North America product revenue	402	425	+6%	205	218	+6%	
- Internal revenue	(188)	(179)	- 5%	(95)	(91)	- 4%	
= External revenue	214	246	+15%	110	127	+15%	

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