

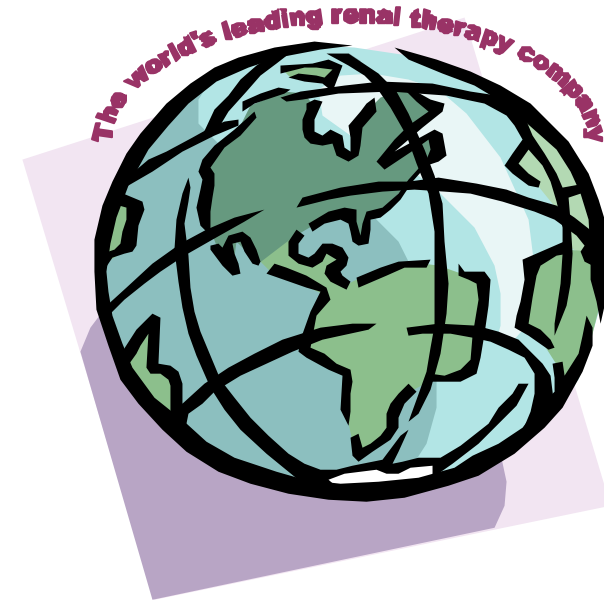


Fresenius Medical Care

The World's Leading Renal Therapy Company

Agenda – Q2 / H1 2002

- *Business Update and Accomplishments*
- *Financial Highlights Q2 and H1 2002*



At a Glance

- Profit target not achieved in North America
- Single-use cost savings slower than expected
- Single-use strategy is the correct investment for the future
- Europe & Asia Pacific showing ongoing strong performance



Single-Use – Why did we do this?

- *Achieve higher patient growth through better medical outcomes*
- *See opportunity to make single-use cost neutral through superior technology*
- *Cannot be achieved by service providers without US manufacturing capacities*
- *Treatment of choice to succeed in Disease State Management environment*



Single-Use Implementation Update

1. Single-use strategy successful

- *Single-use pilot clinics exceed growth targets*
- *Personnel costs on target*

2. Implementation delay due to:

- *Medical supply cost reduction not yet achieved*
- *Clinic cost reduction versus patient growth*



Delay in margin improvement



1. Single-Use Pilot Study Performance Data

Pilot Clinics - North America



- Adopted single-use in 1st half of 2001
- Key performance indicators targeted vs. general FMC clinics

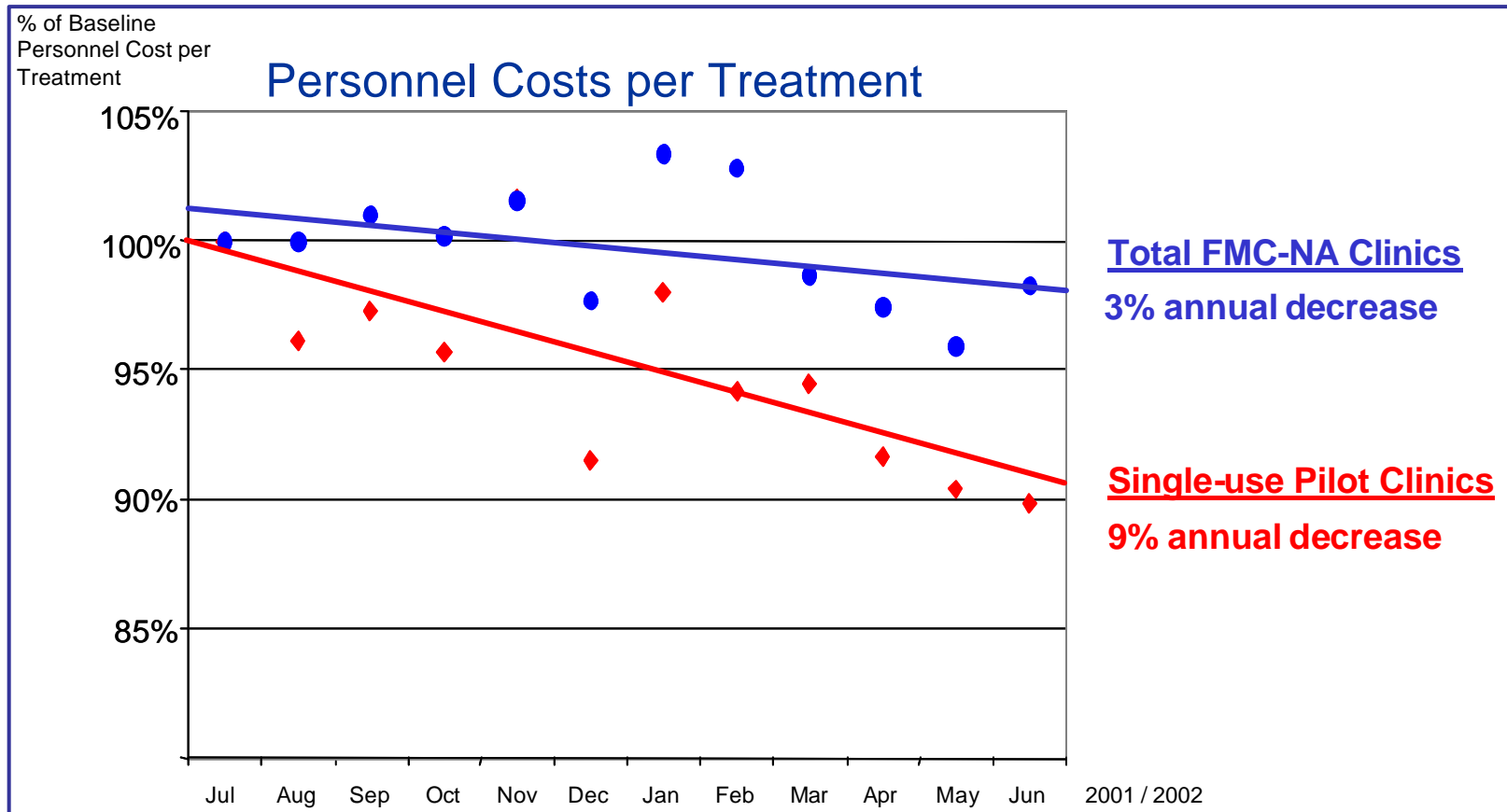
<u>Key Performance Indicators</u>	<u>Pilot Clinics*</u>	<u>FMC Clinics*</u>
Patient growth	+21%	+4%
Personnel costs	-9%	-3%



- *Strong patient acceptance*
- *Personnel restructuring successful*
- *Overall high quality continues*

* All growth rates on annual basis

1. Single-Use Pilot Study Performance Data



500 patients

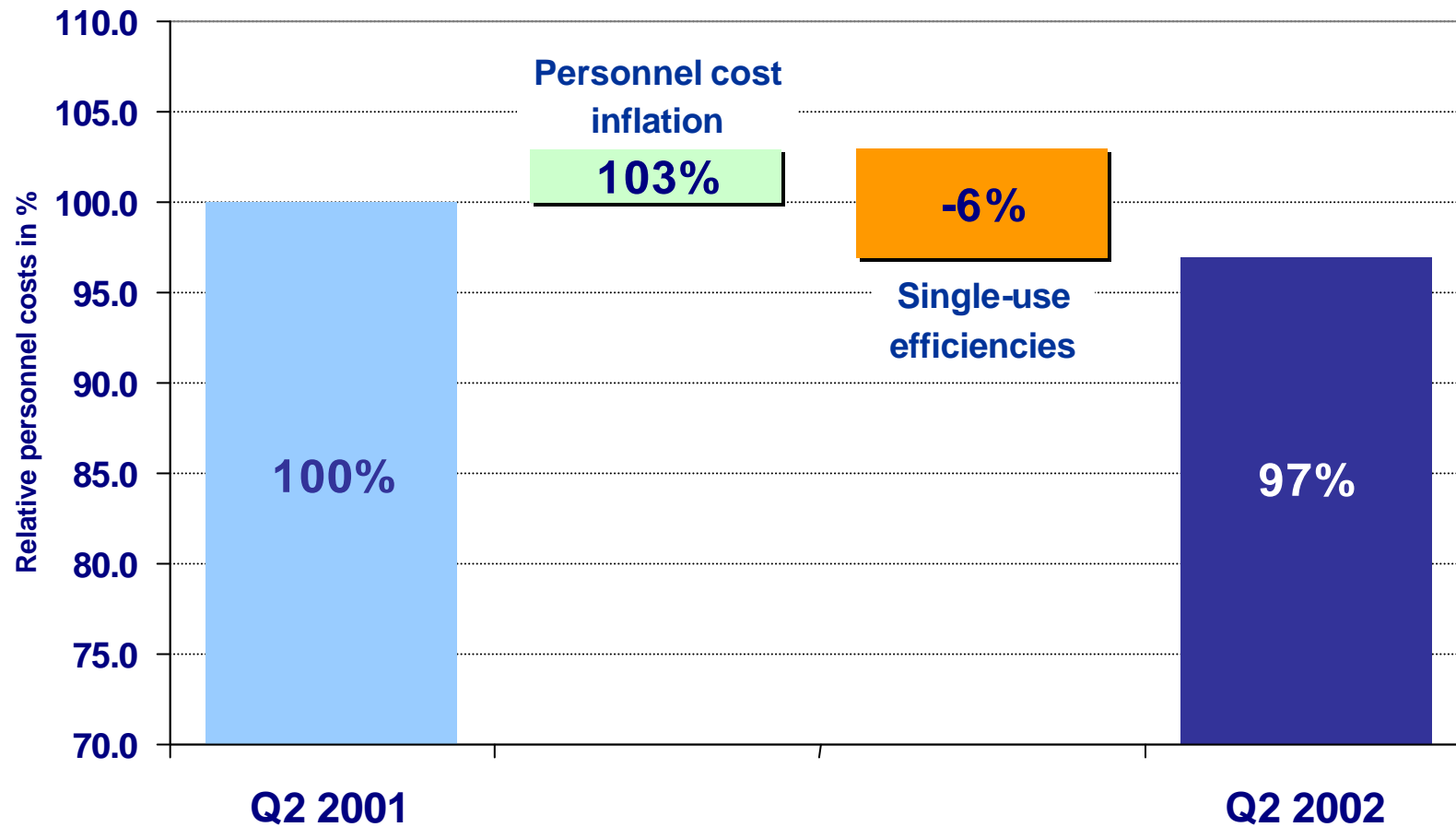


Improved staff effectiveness & satisfaction



1. Single-Use Personnel Costs

● *FMC-North America achieved initial target*



Single-Use Implementation Update

1. *Single-use strategy successful*

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Delay in margin improvement



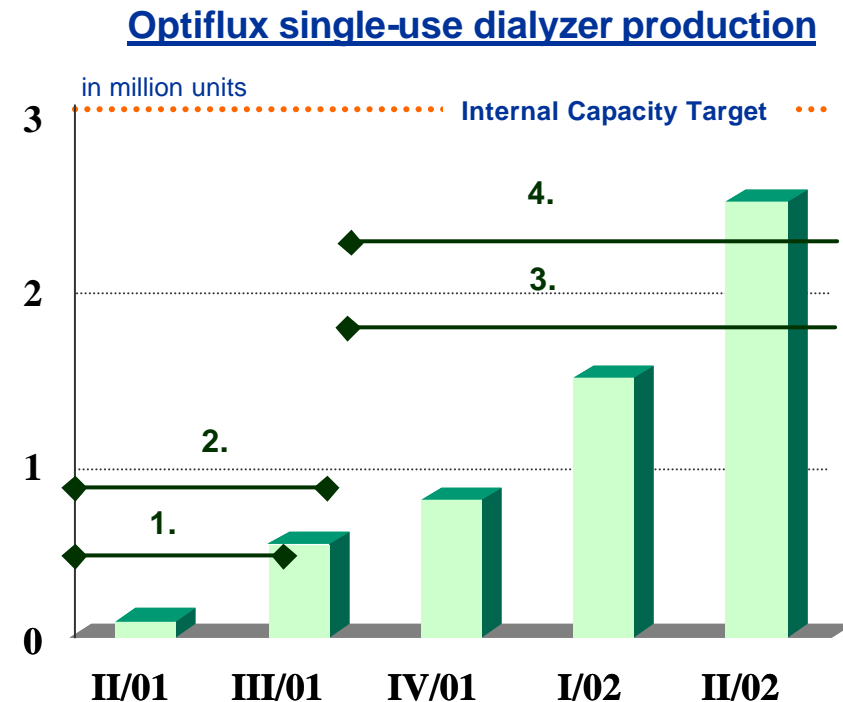
2. Medical Supply Cost Reduction

a) Single-use dialyzer program

1. Prepare new plant capacity
2. Develop single-use dialyzer
3. Shift plant capacities to single-use
4. Reduce single-use manufacturing cost

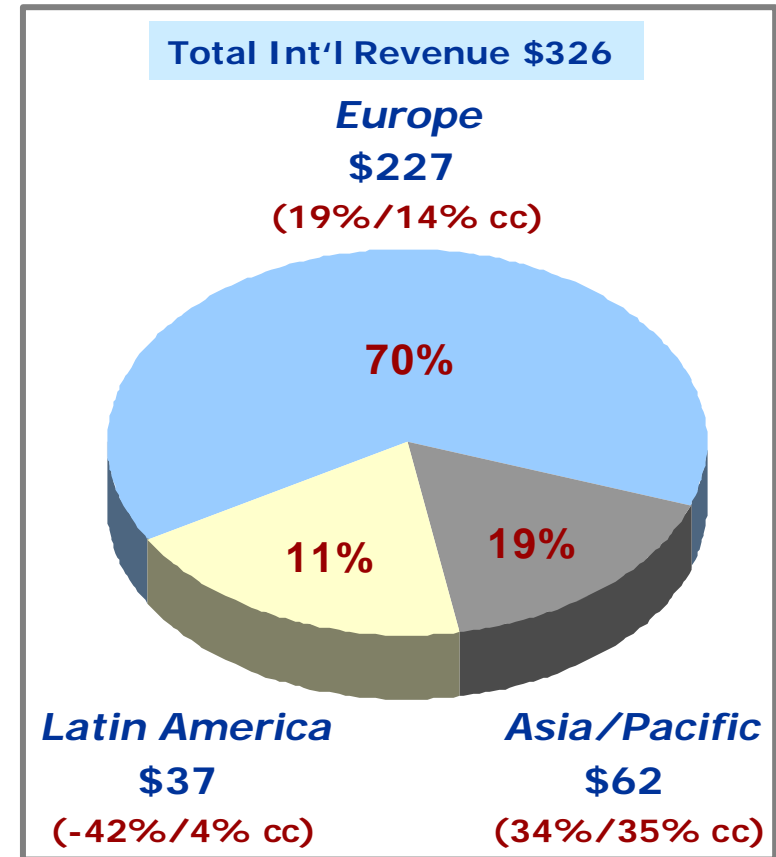
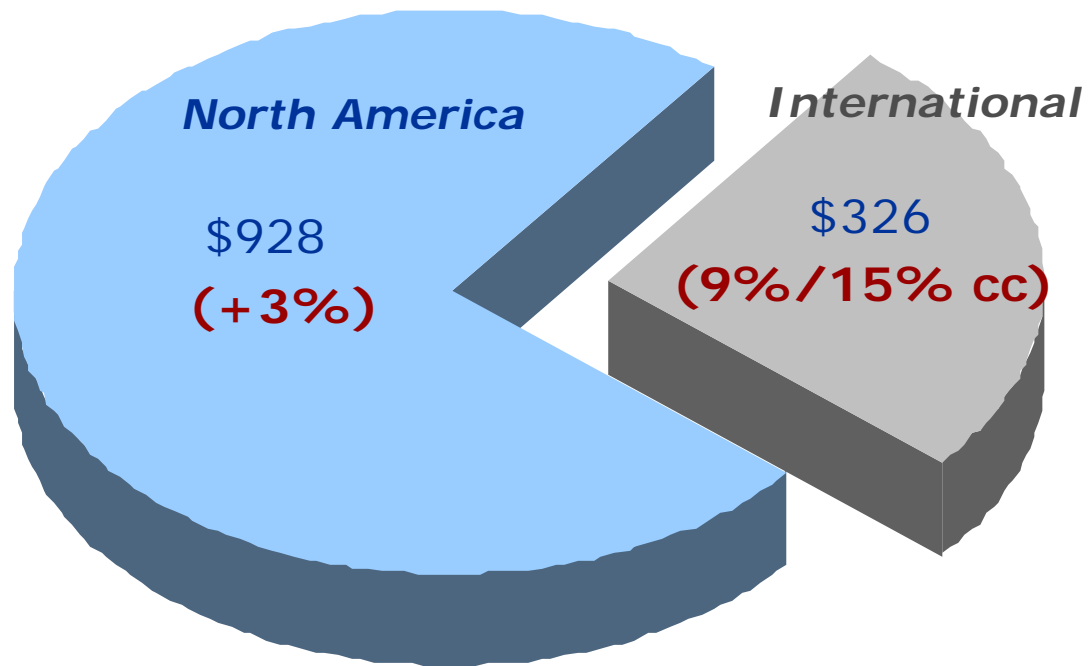
b) Other Supplies

- Reduce concentrate usage
- Reduce dialysis preparation supplies



Q2 2002 Revenue Growth by Segment

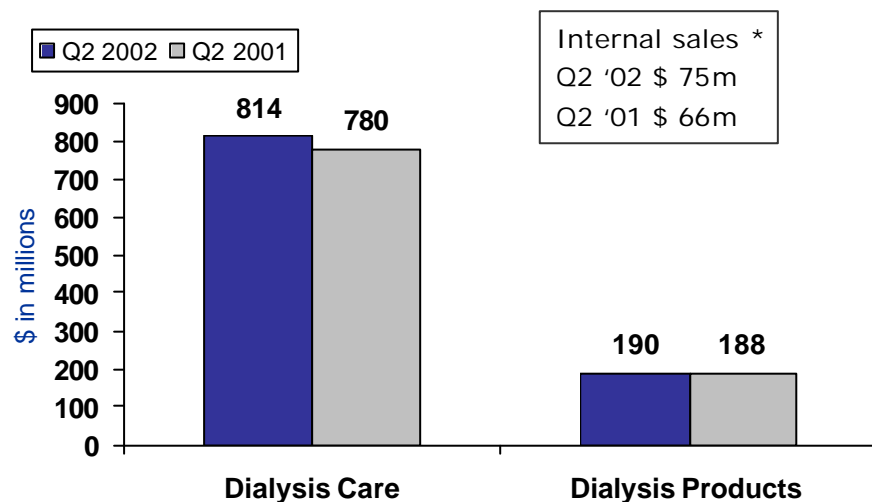
Total revenues \$1,254 million +4% (6% constant currency=cc)



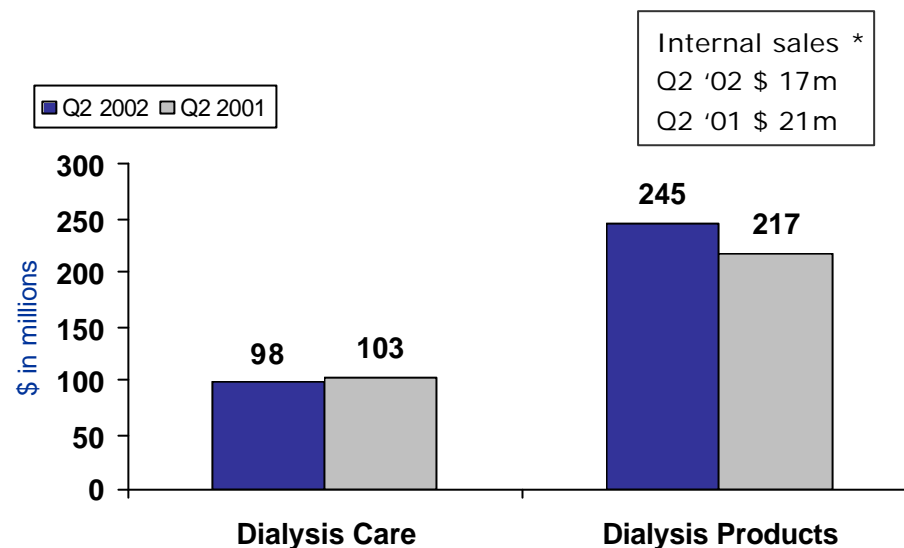
In millions

Revenue by Business Unit Q2 2002

North America



International



Growth Q2, 02	+4%	+1%	Growth Q2, 02	-5% (17%cc)	+13% (12%cc)
Growth H1, 02	+4%	+2%	Growth H1, 02	-2% (20%cc)	+7% (10%cc)

* Internal sales included in Dialysis Products

cc = constant currency

Legal Update

1. Commercial Disputes (1996 Merger related)

- Aetna Life Insurance - **Settled**
- DSM contract with Aetna



Legal Update

2. Indemnification litigation vs. Sealed Air: Early Stage

- FMC filed motion to resolve case without trial (possible fast track resolution);
- If motion not granted, case proceeds on normal course



Focus H2 2002

North America

- *Complete single-use implementation and improve margin*
- *Internal growth of patient care*
- *Continued efforts on accounts receivable collection*

International

- *Increase dialyzer production capacity*
- *Increase PD market share*
- *Expand acute dialysis business*



Agenda – Second Quarter 2002

- *Financials Q2 / H1 2002*
 - *Key figures*
 - *Review of International segment*
 - *Full-year guidance 2002 / 2003*



Financial Highlights

<i>\$ millions</i>	<i>As reported</i>	<i>As reported *</i>	% Growth	% Growth constant currency
	Q2 '02	Q2 '01		
Net revenues	1,254	1,201	4	6
EBIT	170	169	1	0
EAT	74	63	17	15
EPS per Ord. (\$)¹	0.77	0.66	17	15

* Excluding special charge related expenses of \$3 million in 2001 (\$ 2 million, net of taxes)

¹ average number of shares in Q2 2002: 96.2 million in Q2 2001: 96.0 million

Financial Highlights (Adjusted)

\$ millions	As reported	Goodwill adjusted *		
	Q2 '02	Q2 '01	% Growth	% Growth constant currency
Net revenues	1,254	1,201	4	6
EBIT	170	198	(14)	(15)
EAT	74	88	(16)	(17)
EPS per Ord. (\$)¹	0.77	0.92	(16)	(18)

* Excluding special charge related expenses of \$3 million in 2001 (\$ 2 million, net of taxes)

¹ average number of shares in Q2 2002: 96.2 million in Q2 2001: 96.0 million

Financial Highlights H1 2002

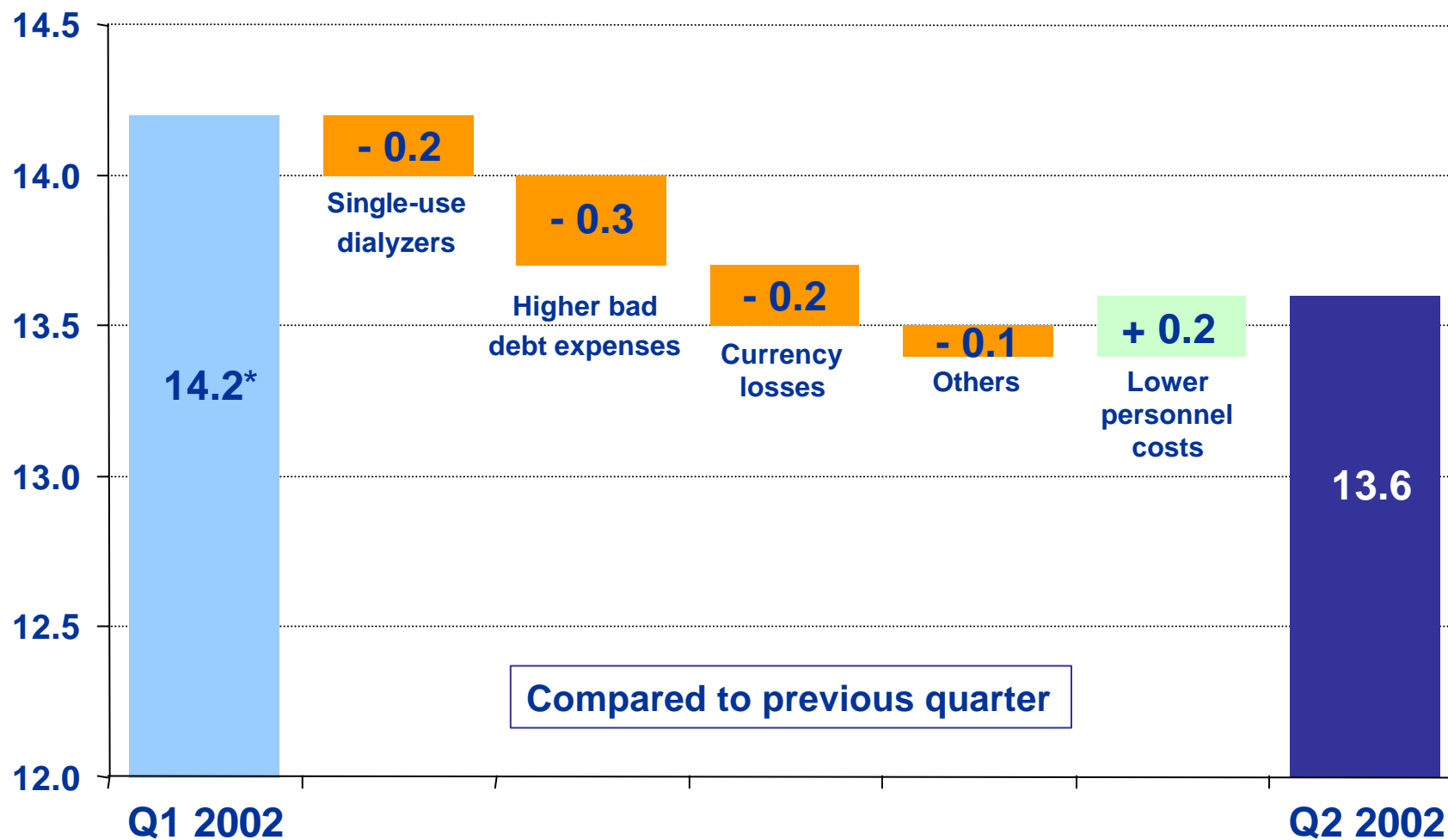
\$ millions	<i>As reported</i>	<i>As reported *</i>	% Growth	% Growth constant currency
	H1 '02	H1 '01		
Net revenues	2,441	2,361	3	6
EBIT	344	326	6	6
EAT	149	118	27	28
EPS per Ord. (\$)¹	1.55	1.22	27	28

* Excluding special charge related expenses of \$3 million in 2001 (\$ 2 million, net of taxes)

¹ average number of shares in H1 2002: 96.2 million in H1 2001: 96.0 million

Operating Margin Development Q2 2002

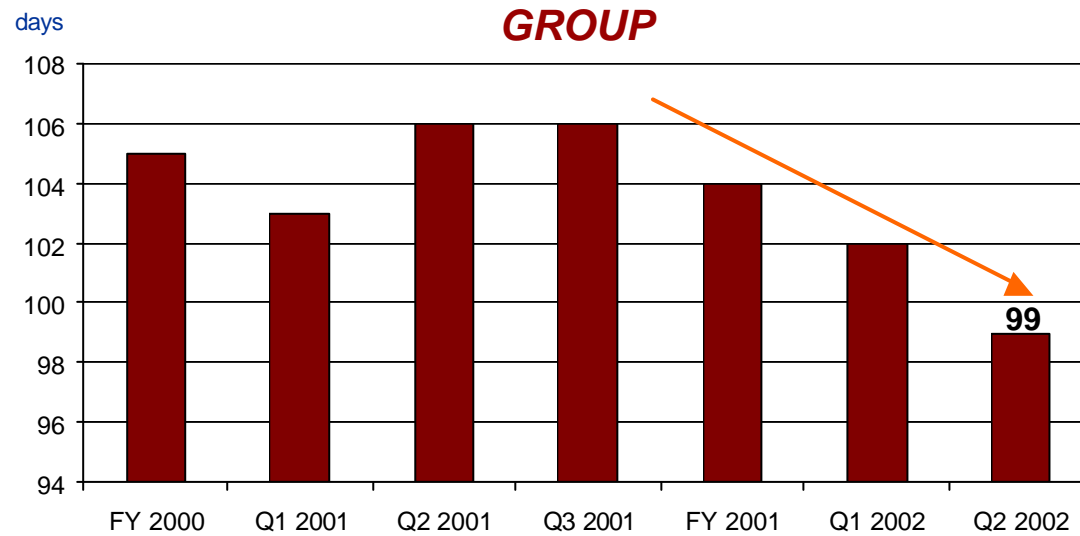
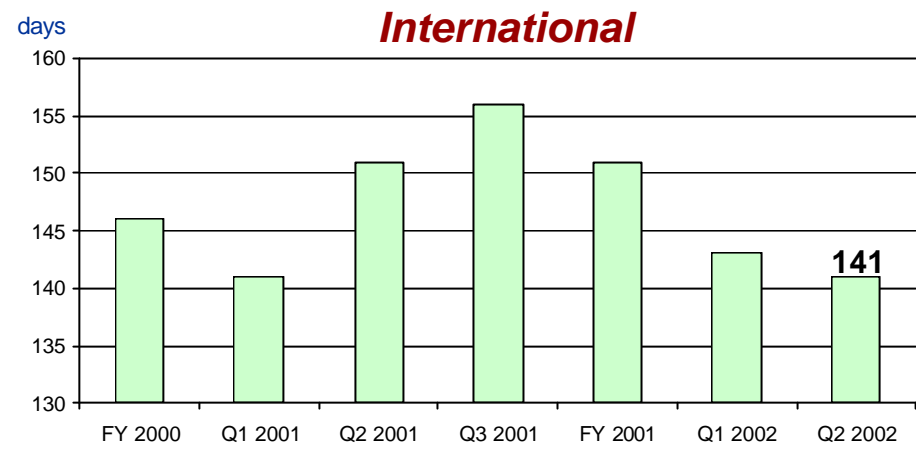
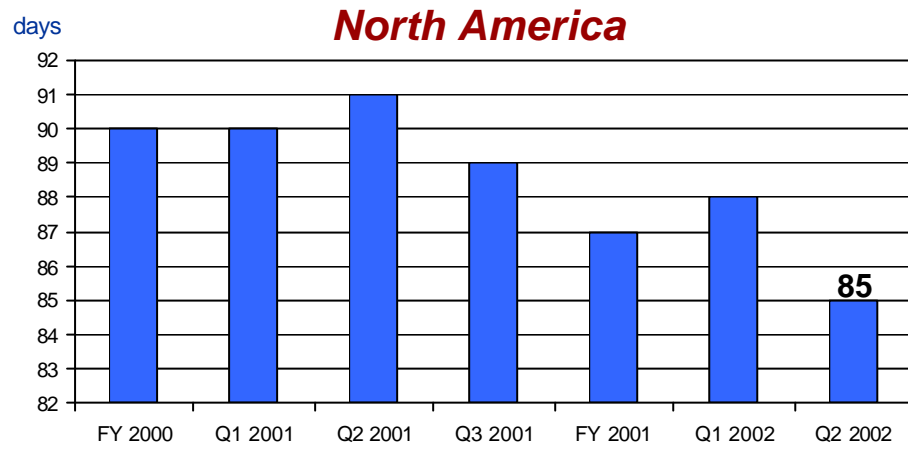
EBIT in % of total sales



* Adjusted for curtailment gain (+1.1% = \$13m) and severance / workforce reduction (-0.6% = \$7m)



DSO development



Cash Flow Q2 2002

<i>in \$ millions</i>	Q2 '02	Q2 '01
<i>Net cash provided by operating activities</i>	173	68
<i>Capital expenditure (net)</i>	(39)	(56)
<i>Free Cash Flow</i> ¹	134	12
<i>Acquisitions</i>	(31)	(37)
<i>Free Cash Flow after acquisitions</i>	103	(25)

¹ before acquisitions and dividend



Cash Flow H1 2002

<i>in \$ millions</i>	H1 '02	H1 '01
<i>Net cash provided by operating activities</i>	244	146
<i>Capital expenditure (net)</i>	(90)	(118)
<i>Free Cash Flow</i> ¹	154	28
<i>Acquisitions</i>	(40)	(154)
<i>Free Cash Flow after acquisitions</i>	114	(126)

¹ before acquisitions and dividend



Financial Ratio

in \$ millions

June 30, 02

EBITDA (annualized)

940

Debt

March 31, 2002: \$ 2,895

+ Dividends \$ 77

+ CapEx \$ 39

+ Acquisitions \$ 31

+ FX-development \$ 98

- Others \$ 6

- Cash from Operations \$ 173

2,961

Total debt / EBITDA

3.15



Review of International Segment



Europe/Africa/Middle East		
Patient growth	6-7% p.a.	
<u>Dialysis Services</u>	patients	centers
FMC	14,950	200
<u>Dialysis Products</u>	Market Shares	
HD Products	35%	
PD Products	23%	



Latin America		
Patient growth	10-11% p.a.	
<u>Dialysis Services</u>	patients	centers
FMC	13,350	150
<u>Dialysis Products</u>	Market Shares	
HD Products	36%	
PD Products	8%	



Asia Pacific		
Patient growth	7-8% p.a.	
<u>Dialysis Services</u>	patients	centers
FMC	2,300	30
<u>Dialysis Products</u>	Market Shares	
HD Products	incl. Japan 12%	excl. Japan 27%
PD Products	8%	10%



Review of International Segment

Period 1999 - 2001

International

Revenue growth (cc)

18%

EBIT growth (cc)

22%

Fiscal Year 2002 ff.

Expected EBIT margin range

16 - 18%

cc = constant currency



Review of International Segment

Latin America

- *~ 3% of total revenue, ~ 3.5% of total assets*
- *Market leader for HD products and patient care in one of the world's highest growth region*
- *EBIT margin mid single digits in 2002; improvement in 2003 expected*
- *Accounts receivable situation improving (DSO down 13% in 2002)*
- *Impairment exposure: maximum \$ 70 million after tax*



Financial Outlook 2002

Revenue growth (constant currency)

~ 6%

Earnings after tax ¹⁾

~ \$ 300 m

CapEx

~ \$ 220 m

Free Cash Flow

> \$ 200 m

Acquisition spending

~ \$ 100 m

Free Cash Flow after acquisitions

> \$ 100 m

¹ before extraordinary charge of \$ 12 m for the early redemption of Trust Pref. Securities



Development of Financial Outlook 2002

Earnings after Tax impacted mainly by:

- *Revenue and treatment growth in North America lower than projected*
- *Delay in single-use cost reduction*
- *Currency devaluation and economic downturn in Latin America*

Improved Free Cash Flow margin:

- *>4% in 2002 after ~3.5% in 2001*
- *Sustainable improvements from improved cash collection, working capital management and lower CapEx spending*



Financial Outlook 2003

Revenue Growth (constant currency)

Mid single digit

Earnings after Tax

High single /
low double digits



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.





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