



# Fresenius Kabi – Creating a Global Leader in I.V. Generic Drugs

Conference Call, July 7, 2008



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## Acquisition Highlights

- APP Pharmaceuticals – a leading U.S. I.V. generic drugs company
- Dedicated to the highest quality and medical excellence
- Successful, well-established company enhancing Fresenius Kabi's profitability
- Platform for further growth in the U.S. for Fresenius Kabi's existing product portfolio
- Outstanding opportunity to establish a leading global position in I.V. generic drugs
- Experienced and successful management team

# APP Pharmaceuticals at a Glance

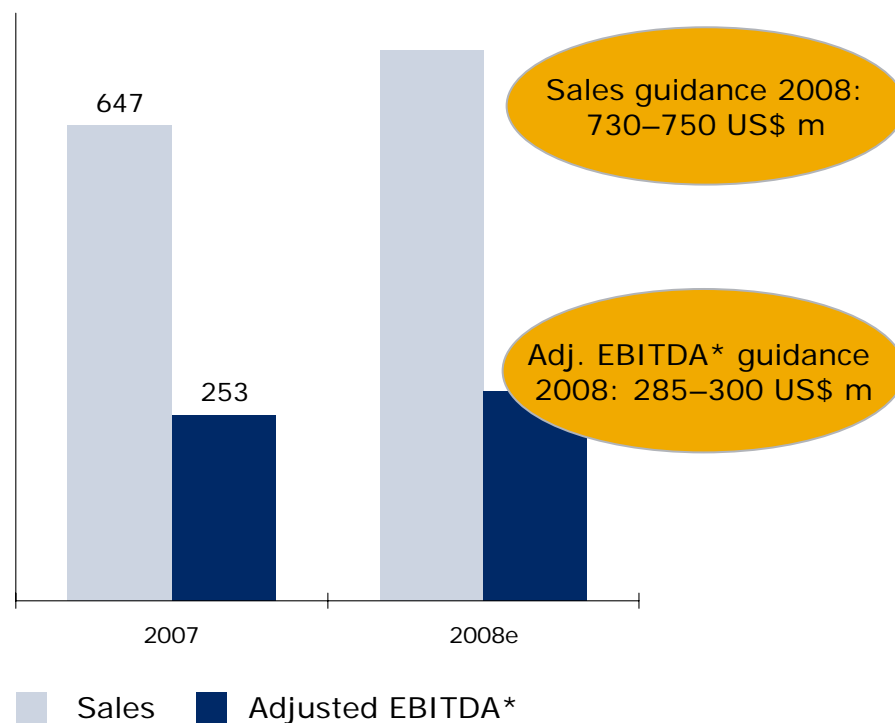
## Business Overview

- Excellent market reputation with well-recognized I.V. generic drugs
- Production plants in the U.S. and Puerto Rico
- Headquartered in Schaumburg / Illinois
- Key financials 2007:
  - Sales: 647 US\$ m
  - Adjusted EBITDA\* 253 US\$ m
- ~1,400 employees

\* Adjusted EBITDA: EBITDA before one-time expenses and stock-option expenses, as published by APP in Form 8-K, March 10, 2008, as of Dec. 31, 2007

## Strong Growth Potential

US\$ m



## Compelling Strategic Rationale

Prime asset with  
a leading market  
position

- No. 2 in the U.S.\*
- Superior sales and margin profile

Perfect strategic fit

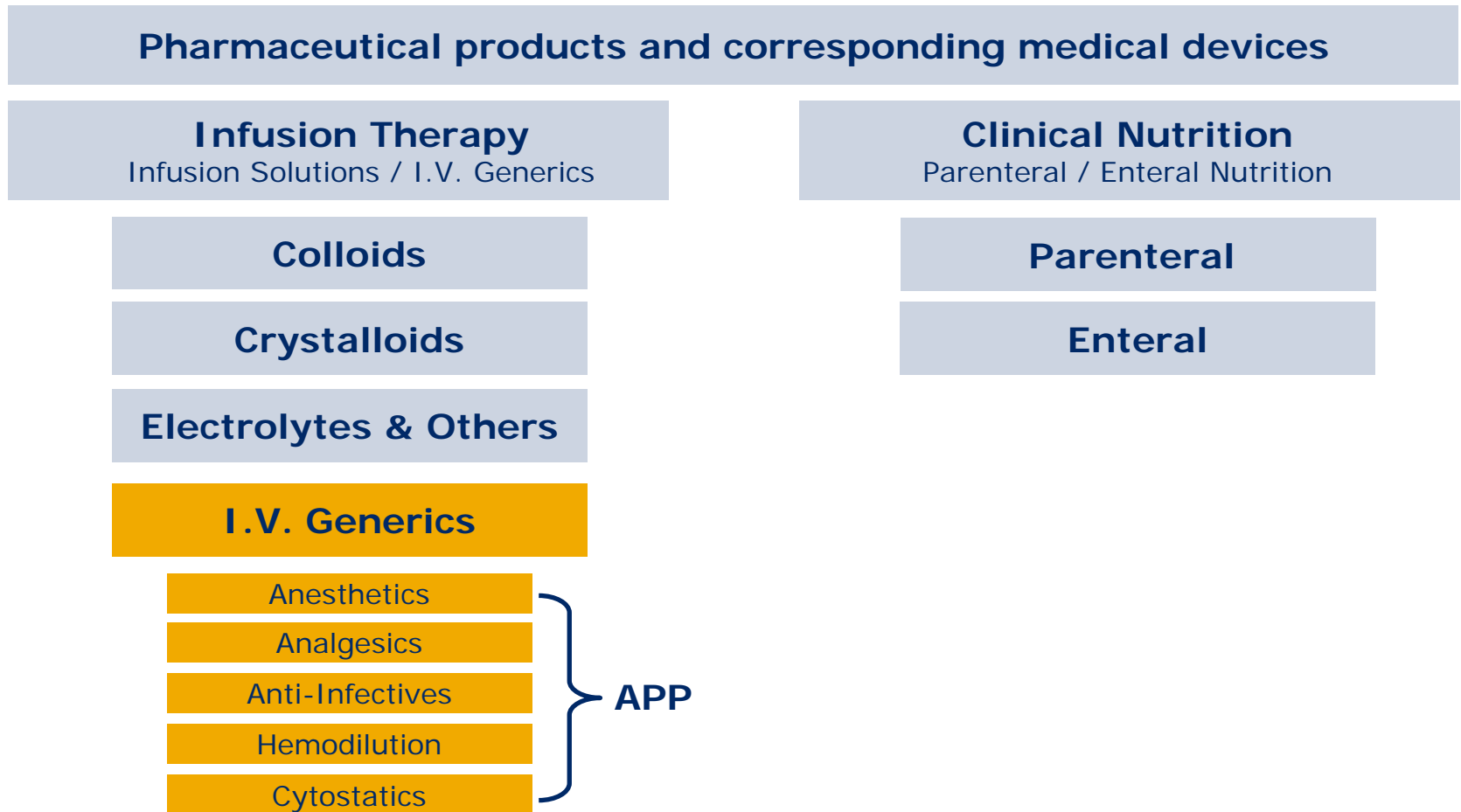
- Market entry into the U.S. with critical scale and strong management team
- Combination of Fresenius Kabi and APP creates a global leader in I.V. generic drugs
- Complementary product portfolio combining Fresenius Kabi's strengths in I.V. therapy with APP's strong position in the U.S. in I.V. generic drugs
- Building global presence in all relevant markets

Significant value  
creation potential

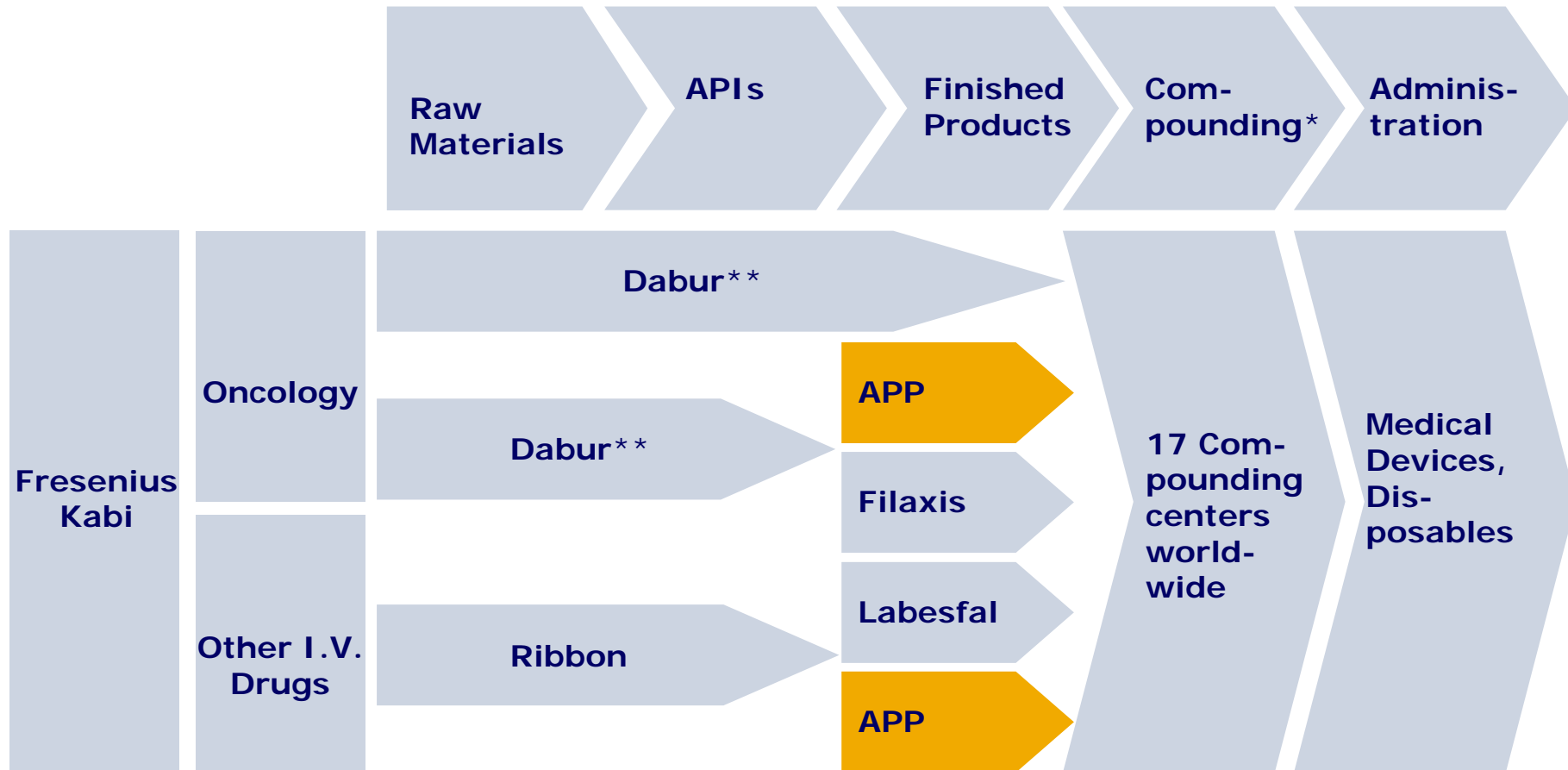
- Neutral to EPS\*\* in the first year, clearly accretive from the second year onwards
- Future growth opportunities through introduction of Fresenius Kabi's products in the U.S. – not part of accretion calculation

\* IMS Data, internal research    \*\*EPS: before one-time transaction-related depreciation charges and assuming a 2008 closing.

# Fresenius Kabi's Product Segments – Growth Through Revenue Synergies



# APP Provides an Excellent Strategic Fit to Fresenius Kabi's I.V. Drug Business

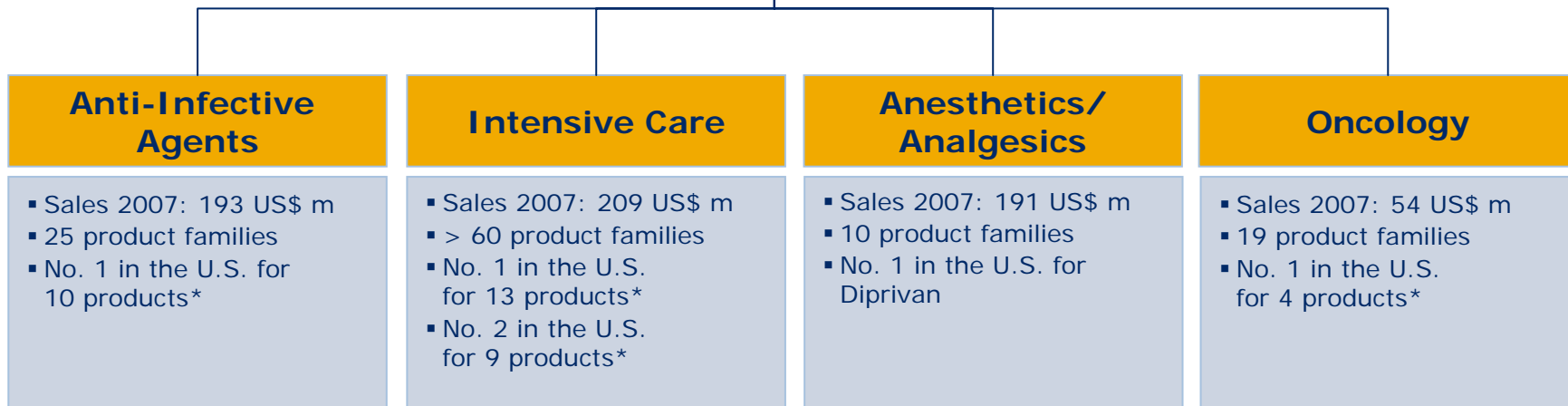


\* Primarily for oncological products

\*\*not yet closed

# APP – Comprehensive Product Portfolio With Leading Positions

- **Marketed Products:** > 100
- **Dosage Forms:** > 400
- **Research & Development:** 67 products in various stages of development, of which 25 are pending approval by the FDA



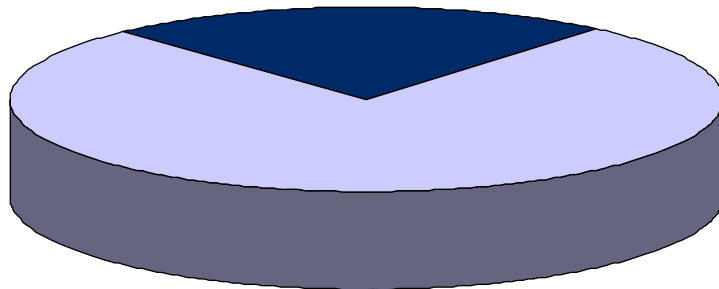
\* IMS



# Attractive Potential of the I.V. Generics Market in the U.S.

Sales - Pharmaceuticals Market 2007:  
261 US\$ bn

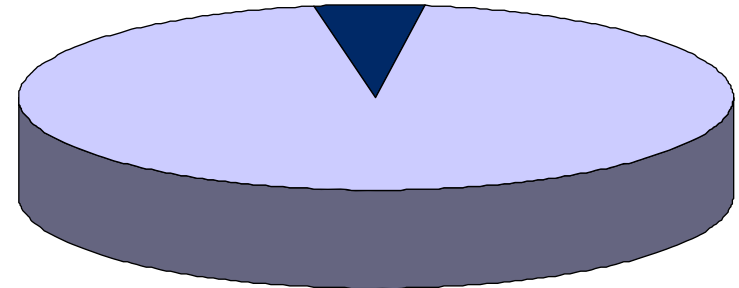
Intravenously administered  
drugs 23 %



Orally administered drugs  
77 %

Sales - I.V. Drugs 2007:  
61 US\$ bn

Generic drugs  
6 %



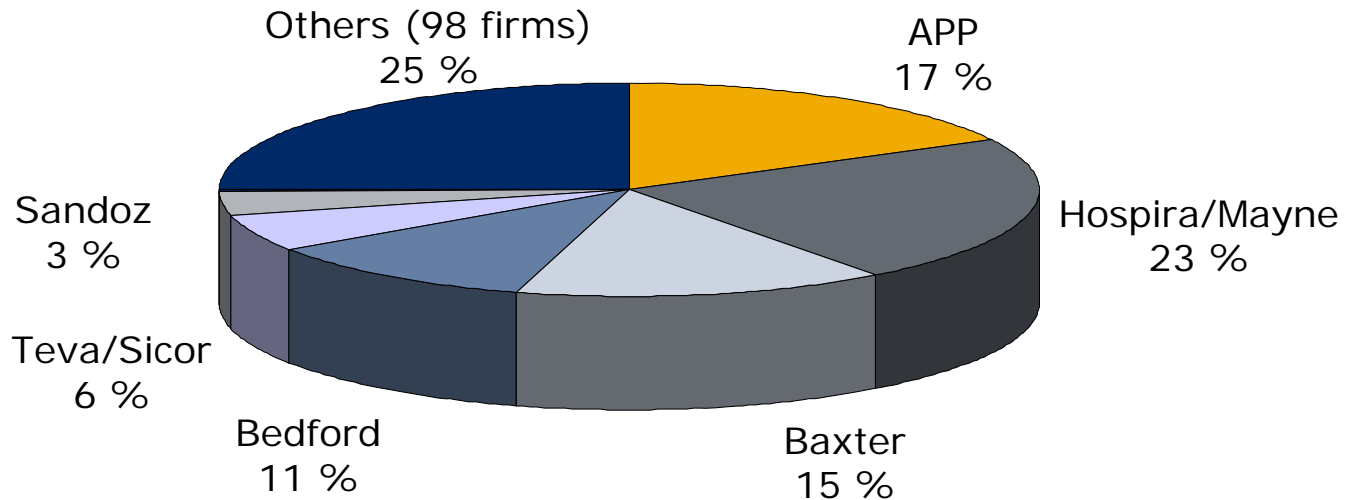
Patented drugs  
94 %

The U.S. I.V. generics market has an estimated volume of ~3.6 US\$ bn

Source: IMS, internal research

# I.V. Generics Market in the U.S.: Competitive Structure

Market Volume: 3.6 US\$ bn



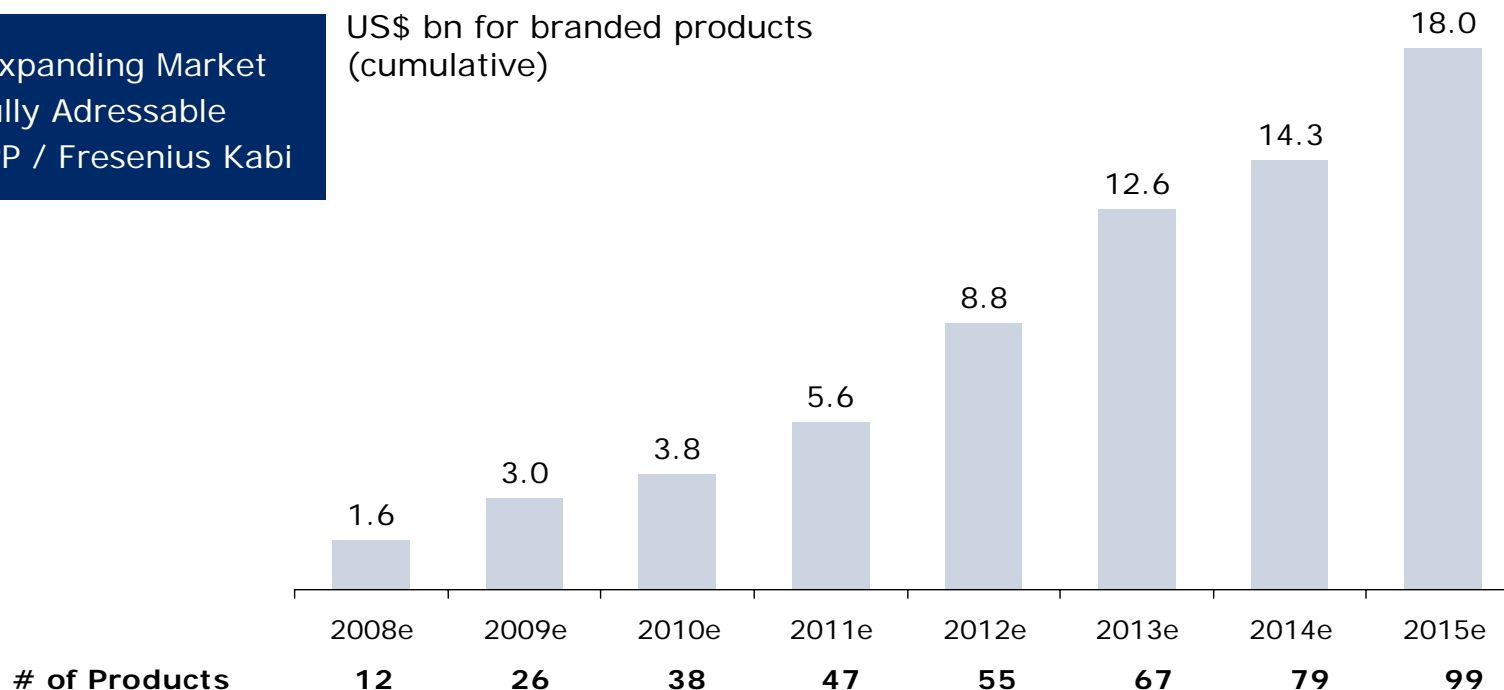
APP No. 2 manufacturer in the U.S. I.V. generics market

Source: IMS, internal research

# Growth in New Product Development: Expected Patent Expirations 2008 - 2015

An Expanding Market  
Fully Adressable  
by APP / Fresenius Kabi

US\$ bn for branded products  
(cumulative)



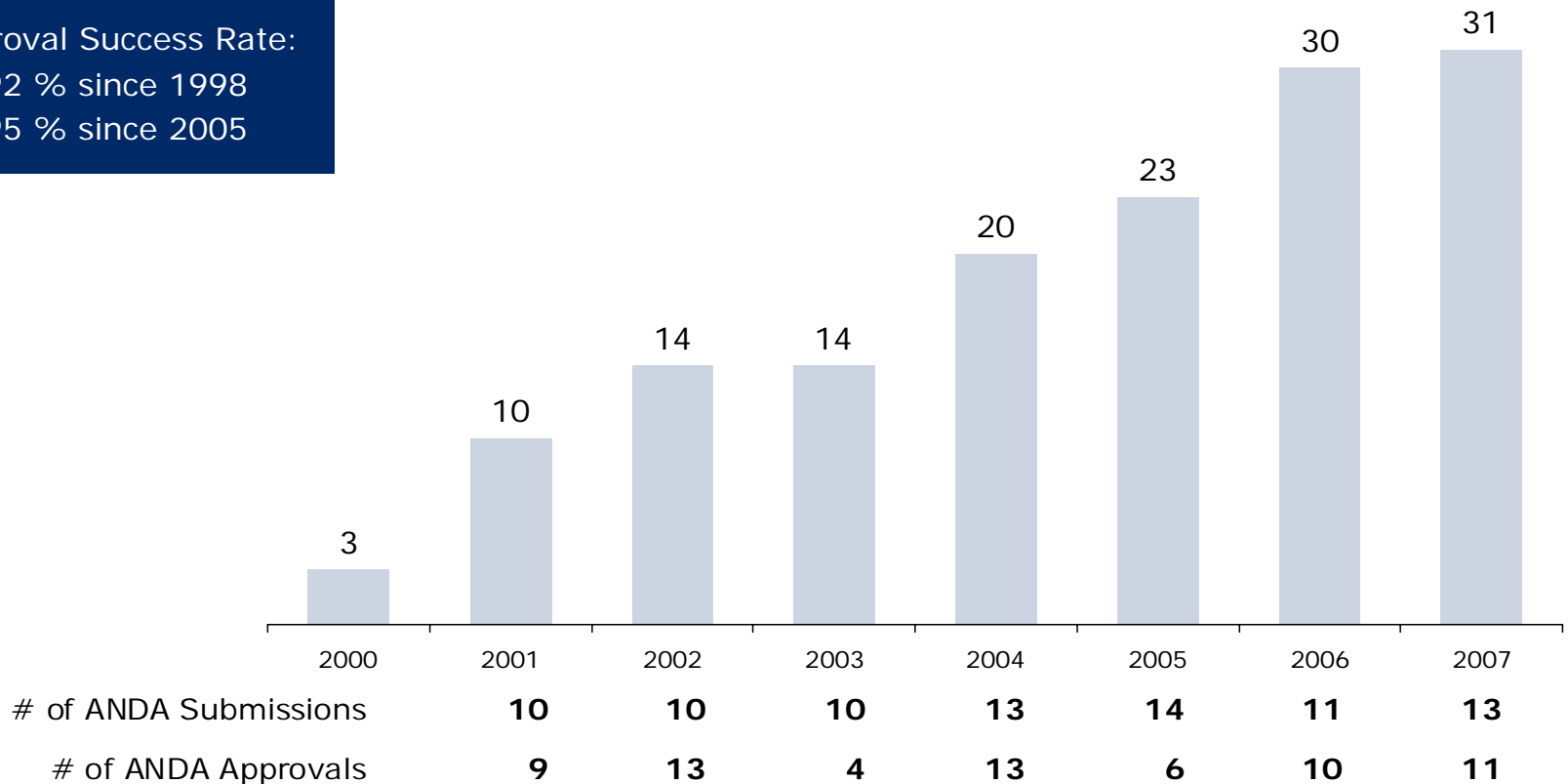
It is expected that drugs of about 18 US\$ bn branded sales will have gone off-patent by 2015 (based on 2007 revenues)

Source: IMS, FDA Orange Book, internal research

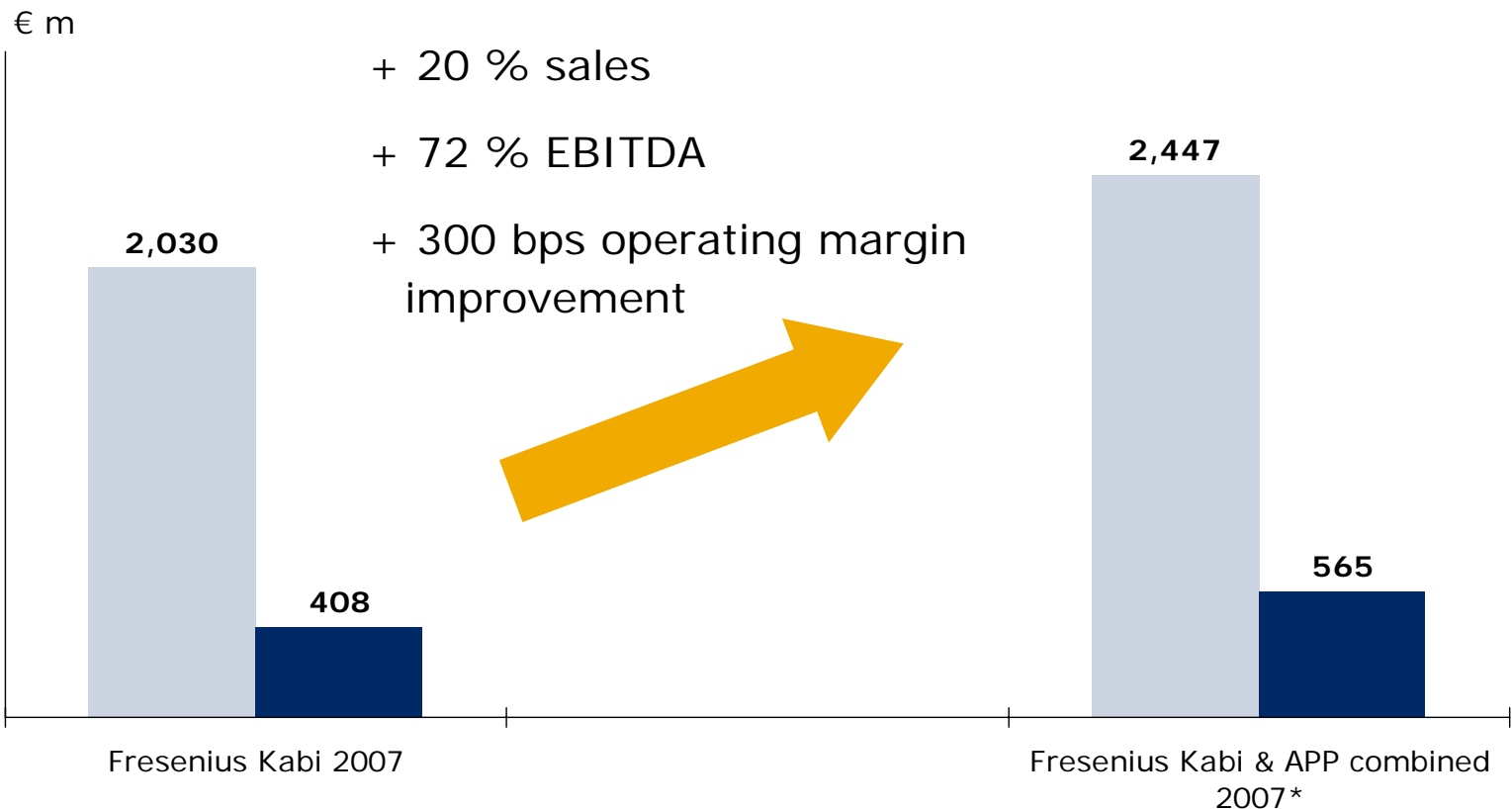
Note: Market size relates to current branded sales before patent expiry

# Growth in New Product Development: ANDAs of APP Pending at FDA End of the Year

Approval Success Rate:  
92 % since 1998  
95 % since 2005



# APP: Strong Sales and Earnings Contribution



\* Adjusted EBITDA reported by APP US\$ 253 m, less US\$ 9.1 m stock compensation (net), as of Dec. 31, 2007;  
US\$/€ FX rate of 1.55 used for conversion of APP financials. Subject to change.

## Key Transaction Terms

### Cash Purchase Price

- US\$ 23.00 per share in cash
- Equity valued at 3.7 US\$ bn

### Contingent Valuation Right (CVR)

- Up to US\$ 6.00 per share in cash
- Payable in 2011 subject to APP exceeding a cumulative financial EBITDA target for calendar years 2008, 2009 and 2010

### High Transaction Security

- Signed voting agreement with APP's >80 % majority shareholder
- Board of APP approved the transaction

## Financial Impact

### Financing

- Fully committed by leading banks
- Mix of debt and equity instruments – major part will be debt financed
- Financing details will be published in the coming weeks

### Leverage

- Debt/equity financing mix targeted to minimize the impact on Fresenius SE's credit ratings
- Net debt / EBITDA target: back in 2.5-3.0 range in 2010

### Earnings per Share

- Acquisition of APP is expected to be neutral to EPS in the first year
- Clearly accretive from the second year onwards

## Acquisition of APP – Driving Future Growth

Key strategic opportunity

Entry in the U.S. I.V. generics market

Experienced and successful management team

Growth opportunities for Fresenius Kabi's product portfolio



## Attachments



## APP – Overview of Key Products

### Anti-Infective Agents

- Ampicillin
- Ampicillin / Sulbactam
- Azithromycin
- Bacitracin
- Cefoxitin
- Doxycyclin
- Gentamicin
- Kanamycin
- Vancomycin

### Intensive Care

- Calcium Gluconate
- Choriogonadotropin
- Dexamethason
- Heparin
- Hydralazin
- Oxytocin
- Protamin
- Thiamin

### Oncology

- Carboplatin
- Fluorouracil
- Mesna
- Mitoxantron
- Pamidronate

### Anesthetics/Analgesics

- Astramorph (morphine)
- Diprivan (propofol)
- Ketorolac
- Naropin (Ropivacain)
- Sensorcaine  
(Bupivacaine)
- Xylocaine (lidocaine)

## Financial Calendar

30.7.2008      Report on 1<sup>st</sup> half 2008

4.11.2008      Report on 1<sup>st</sup>-3<sup>rd</sup> quarters 2008

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