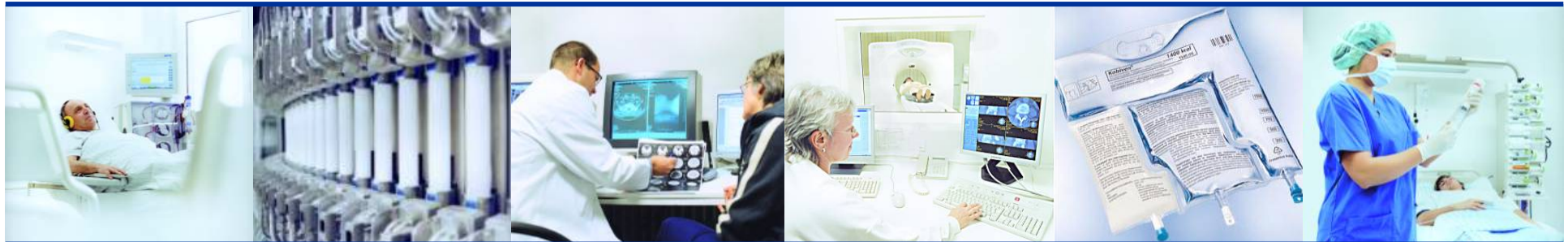




# Towards One Single Share Class – Share Conversion and Change of Legal Form

Conference Call – March 31, 2010



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## Transaction Overview

Share conversion

Mandatory 1:1 conversion of preference shares into ordinary shares in a cashless transaction

in combination with

Change of legal form

From 'SE' to 'SE & Co. KGaA'

## Transaction Rationale

Share conversion

Enhance attractiveness of Fresenius stock and capital markets position

in combination with

Change of legal form to SE & Co. KGaA

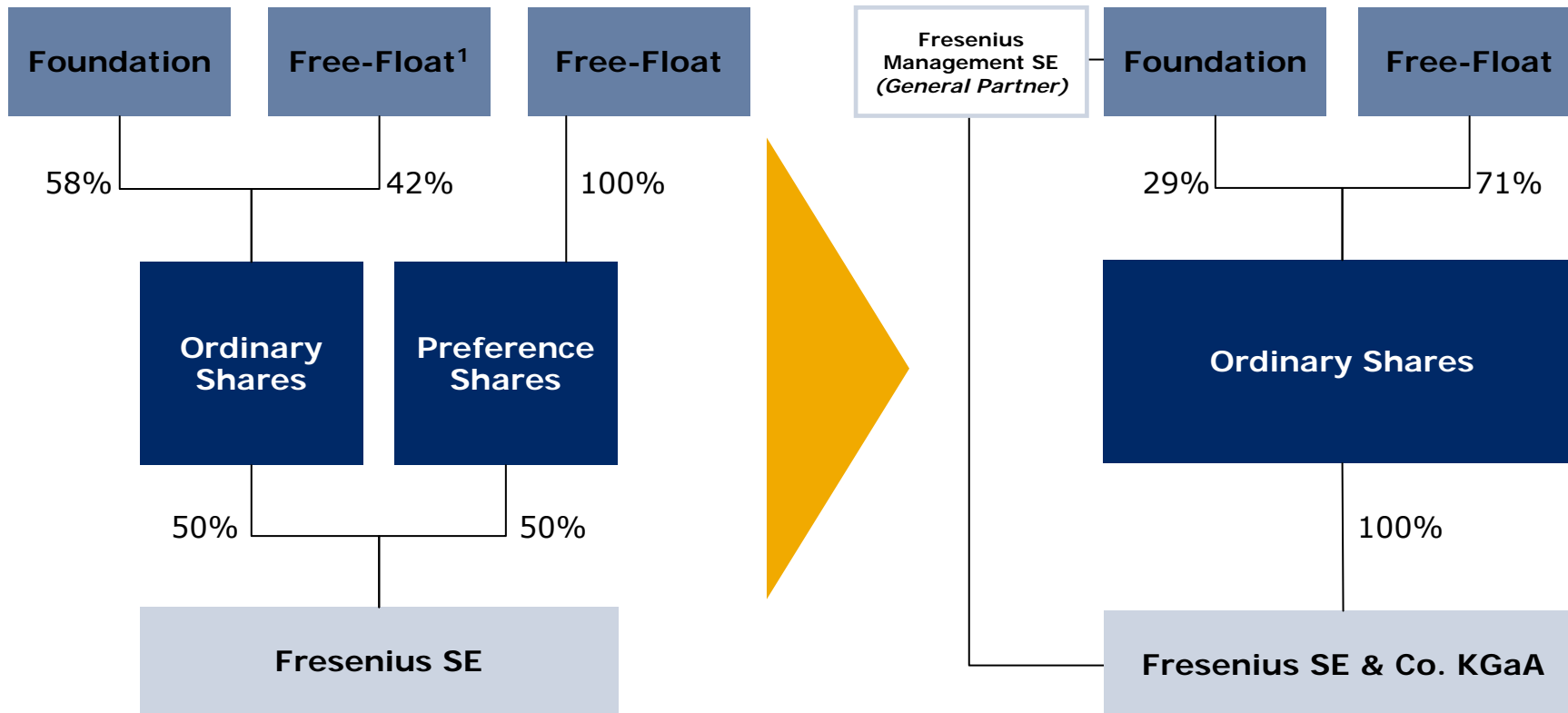
Ensure ongoing support of charitable Else Kröner-Fresenius Foundation

Building on successful model created by Fresenius Medical Care in 2005

## Enhance Attractiveness of Fresenius Stock and Capital Markets Position

- 1 Simplify share structure
- 2 Increase trading liquidity
- 3 Enhance index-relevant free-float
- 4 Improve access to equity capital markets

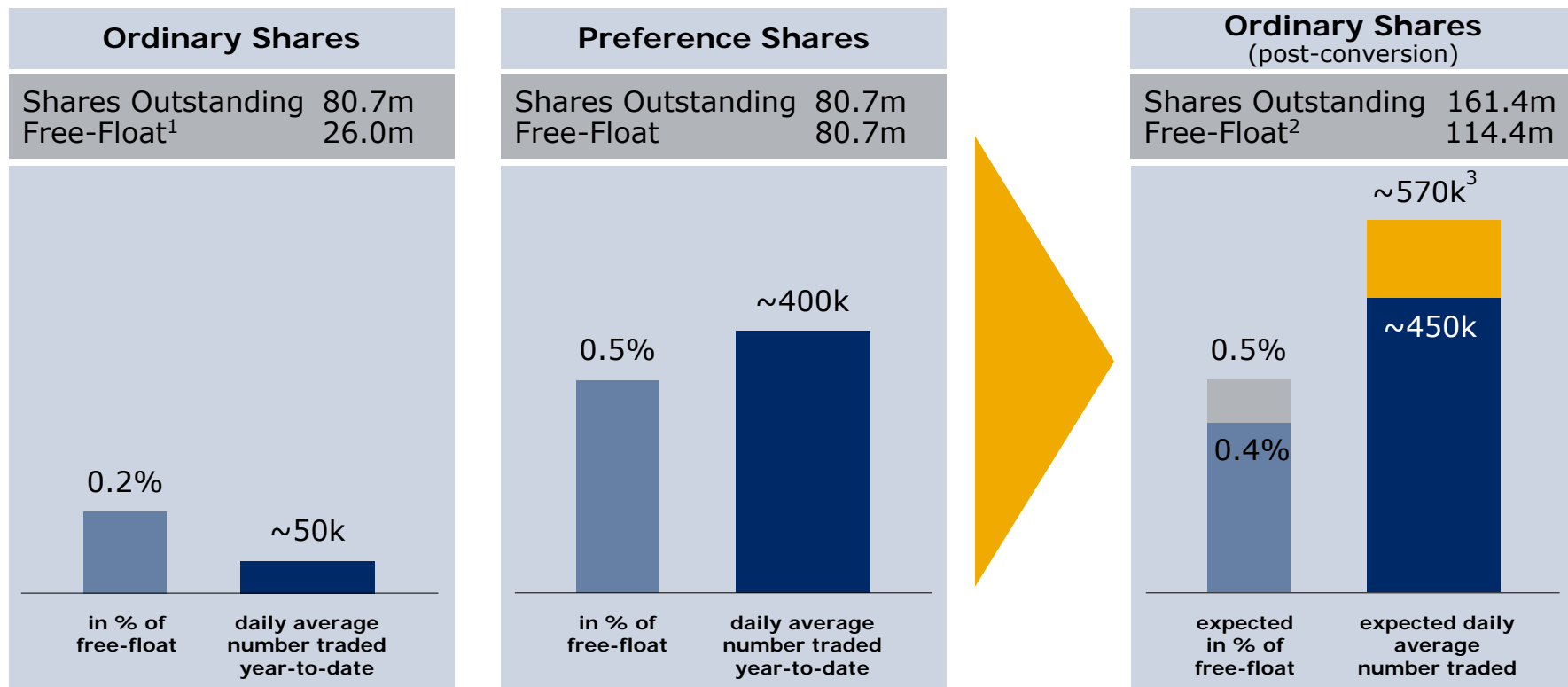
# 1 Simplify Share Structure



<sup>1</sup> Includes shareholding of Allianz Lebensversicherungs-AG

Foundation = Else Kröner-Fresenius-Stiftung

## 2 Increase Trading Liquidity



Source: Deutsche Börse, Bloomberg as of March 19, 2010 own calculations

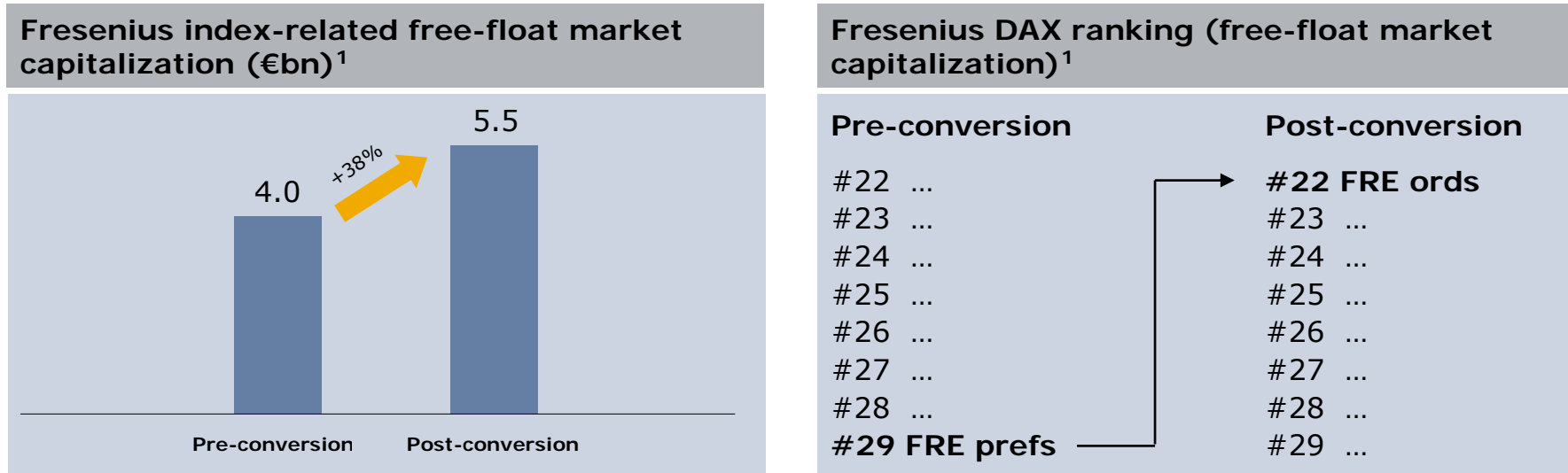
<sup>1</sup> Excludes ~58% stake of Else Kröner-Fresenius Foundation and stake of Allianz Lebensversicherungs-AG (according to Deutsche Börse)

<sup>2</sup> Post-conversion, stake of Allianz Lebensversicherungs-AG is diluted below the 5% free-float threshold of Deutsche Börse and is hence included in the overall free-float

<sup>3</sup> Ratio of daily average preference shares traded / free-float of preference shares multiplied with new combined free-float

### 3 Enhance Index-Related Free-Float

- DAX ranking expected to benefit from increased free-float market capitalization



- Index weight expected to improve from 0.8%<sup>3</sup> to 1.1%<sup>2</sup>
- Turnover position expected to improve from #30 to ≤#30<sup>2</sup>
- Enhanced index position likely to trigger incremental demand

<sup>1</sup> Based on Deutsche Börse AG Blue Chip Equity Germany Index ranking as of February 28, 2010 and own calculations

<sup>2</sup> Expected weight/position based on own calculations

<sup>3</sup> Based on last regular rebalancing by Deutsche Börse AG after market close on March 19, 2010



### 3 Enhance Index-Relevant Free-Float (cont'd)

- Ranking in other indexes such as MSCI Germany and DJ Euro Stoxx 600 expected to improve as well

Index	MSCI Germany	MSCI Europe	Stoxx Europe 600
Item	Rank Market Capitalization	Rank Market Capitalization	Rank Market Capitalization
Pre-Conversion <sup>1</sup>	#26 <sup>2</sup>	#219 <sup>2</sup>	#222 <sup>3</sup>
Post-Conversion	#22 <sup>2</sup>	#165 <sup>2</sup>	#165 <sup>2</sup>

- Conversion may also lead to inclusion in a more attractive index segment, e.g. potential switch to Stoxx Europe Large 200 segment from Mid 200 segment


<sup>1</sup> Index rank pre-conversion only relates to preference shares

<sup>2</sup> Rank based on own calculations

<sup>3</sup> Source: STOXX® Limited Composition List as of March 19, 2010

## ④ Improve Access to Equity Capital Markets

- Transaction generally enhances Fresenius' future financial flexibility
- Share conversion simplifies potential future capital increases
  - Historically, capital increases have been complex, as equal number of ordinary and preference shares had to be placed
  - One single and liquid share class allows for efficient terms including reduced discount and limited earnings dilution (discount capital increase 2008: 11.4% ordinary shares / 3.5% preference shares)<sup>1</sup>



Fresenius is strategically well-positioned and has no plans to raise equity capital

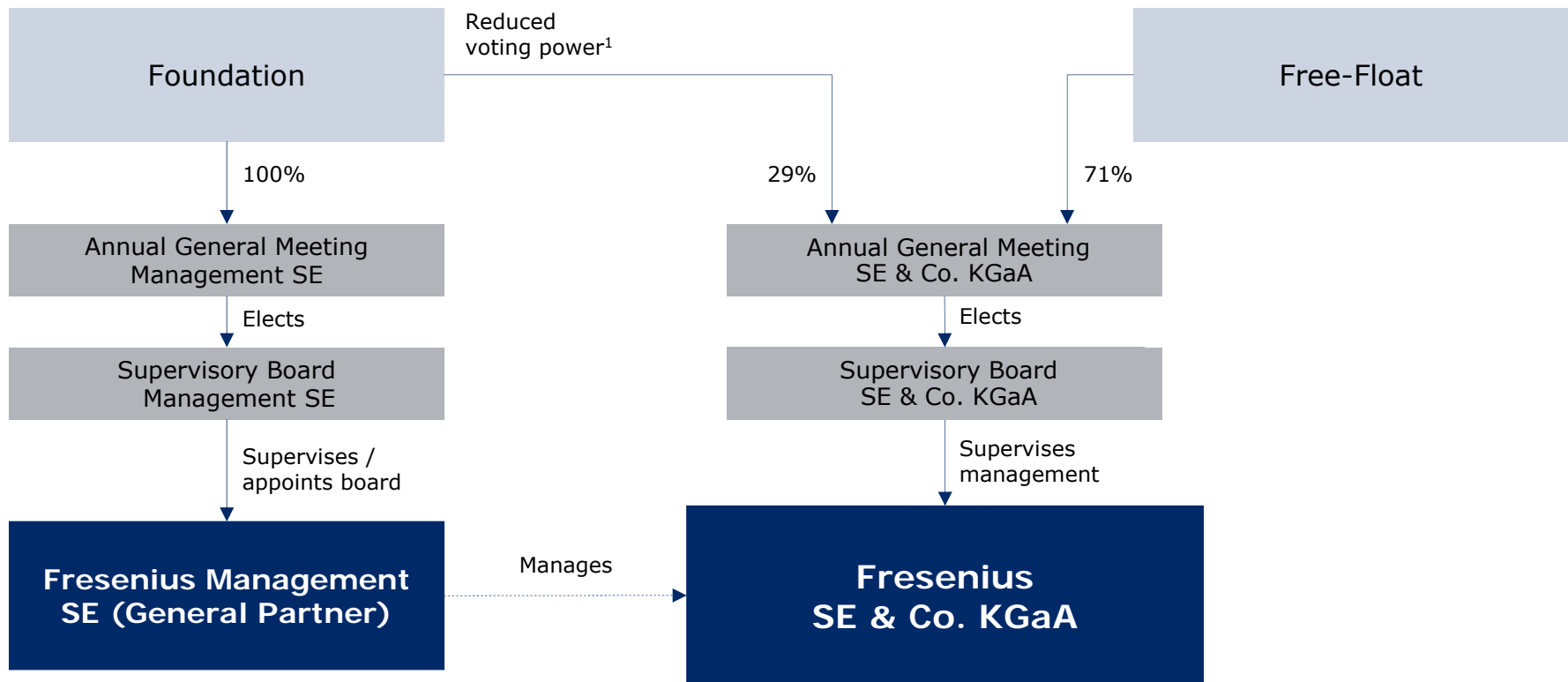
<sup>1</sup> Based on XETRA closing price as of August 11, 2008

## Ensure Ongoing Support of Charitable Else Kröner-Fresenius Foundation

- Transaction has been initiated by Fresenius to enhance share attractiveness and strengthen capital markets position
- Foundation fully endorses the transaction
- KGaA articles of association largely mirror the statutes of Fresenius SE
- Foundation must hold more than 10% in Fresenius SE & Co. KGaA to maintain control
- Foundation is committed to hold on to its shares for the long-term

Transaction will ensure the ongoing and full support of the  
Else Kröner-Fresenius Foundation

# Maintain Current Standards for Compliance and Transparency



<sup>1</sup> For selected items no voting power, e.g.: election of Supervisory Board SE & Co. KGaA, discharge of General Partner and Supervisory Board of SE & Co. KGaA for the fiscal year, election of auditor

Foundation = Else Kröner-Fresenius-Stiftung

## Composition of Management Board and Supervisory Boards

- No change of Fresenius SE executive management
- Shareholder representatives in Supervisory Board of Fresenius SE will form Supervisory Board of Fresenius Management SE
- Shareholder representatives in Supervisory Board of Fresenius SE and six employees representatives will form KGaA Supervisory Board, except for the two Foundation representatives, who will be replaced by independent members

## Key Benefits for Shareholders

### Ordinary shareholders

- Substantially increased trading liquidity
- DAX membership boosting share attractiveness
- Simplified share structure
- Maintained corporate governance and transparency standards
- Enhanced long-term value due to improved options for financing

### Preference shareholders

- Voting right
- Enhanced index position leading to increased share attractiveness
- Simplified share structure
- Maintained corporate governance and transparency standards
- Enhanced long-term value due to improved options for financing

## Timing of Transaction

Invitation to Annual General Meeting	April 1, 2010
Record date	April 21, 2010
Annual General Meeting	May 12, 2010
Change of legal form and actual share conversion	Earliest H2 2010



# Health Care Worldwide

