



# Cheuvreux – 8th German Corporate Conference

January 19, 2009



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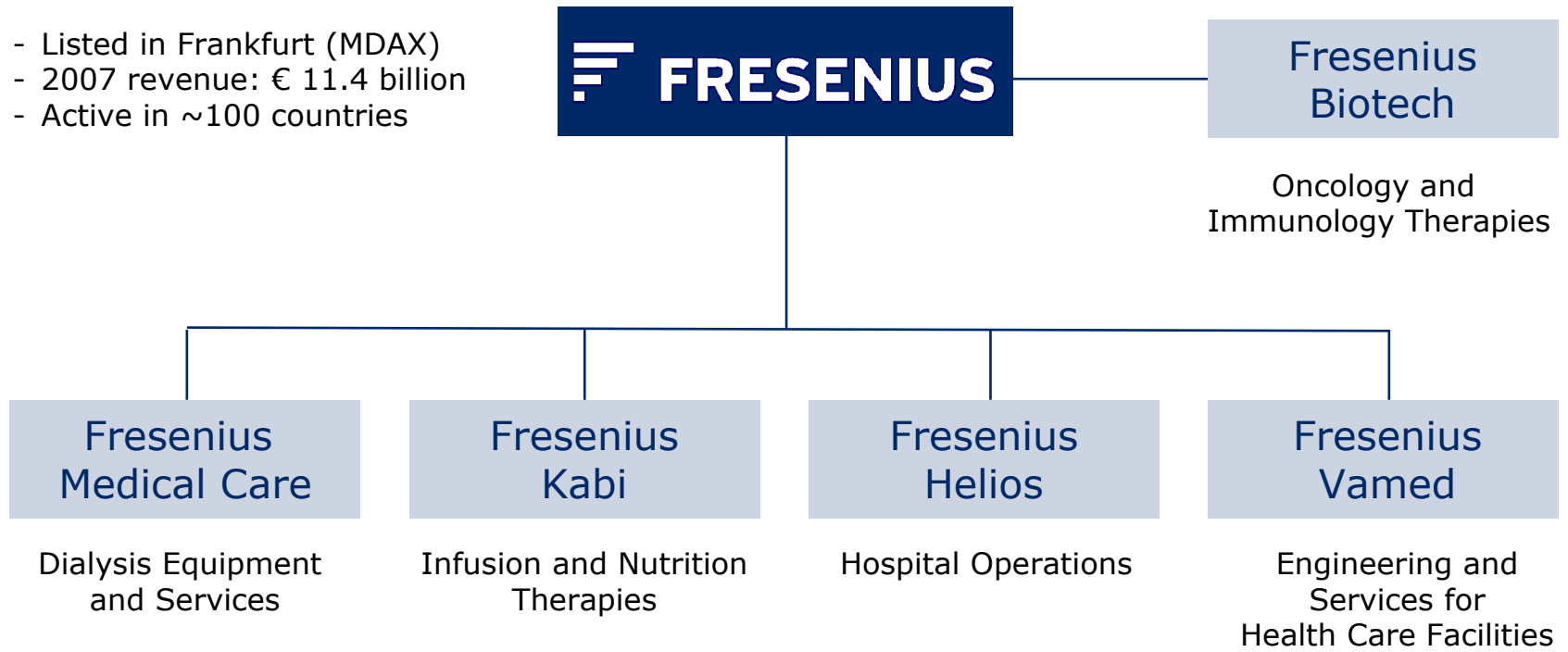
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# Achieving Profitable Growth in Attractive Health Care Segments

- Listed in Frankfurt (MDAX)
- 2007 revenue: € 11.4 billion
- Active in ~100 countries



## Fresenius Group: Financial Results

	<b>Sales</b>	<b>EBIT, adjusted*</b>	<b>Net income, adjusted*</b>
Q1-3/08	€ 8,761 m	€ 1,209 m	€ 324 m
Growth at constant currency rates	11 %	9 %	14 %
Growth at actual currency rates	4 %	2 %	9 %

\* Group financial results before APP-transaction-related special items – for a reconciliation to EBIT and net income see attachments

## Fresenius Group: Excellent Sales and EBIT Growth in all Business Segments

Q1-3/08

	<b>Fresenius Medical Care</b>	<b>Fresenius Kabi</b>	<b>Fresenius Helios</b>	<b>Fresenius Vamed</b>
Sales Growth	US\$ 7,890 m 10 %	€ 1,734 m 16 %	€ 1,568 m 16 %	€ 290 m 24 %
EBIT Growth	US\$ 1,240 m 8 %	€ 290 m 20 %	€ 127 m 15 %	€ 14 m 27 %

## Fresenius Kabi: Update Q1–3/08

- Excellent organic sales growth of 9 %
- EBIT margin of 16.5 % pre-acquisitions
- APP acquisition:
  - Closing achieved 1–2 quarters ahead of plan
  - Financing steps successful
  - Integration process fully on track
  - Perfect platform for further growth
- APP '08 anticipated financial results slightly above acquisition business plan



## Fresenius Helios: Update Q1–3/08

- Strong organic revenue growth of 5 %\*
- 140 bps EBIT margin expansion in established clinics to 9.6 %
- Krefeld/Hüls hospital projects on track
- 2008 privatization target fully achieved
  - 185-bed Mariahilf hospital (Hamburg) consolidated as of August 1, 2008
  - Two hospital privatization projects awarded in December 08
    - 834 beds
    - 46,300 admissions p.a.
    - € 136 million revenue in 2007

\* growth rate on a like-for-like basis



## Fresenius Vamed: Update Q1–3/08

- Excellent sales growth of 24 %
- Order intake +60 % Q3 vs. Q2;  
strong Q4 order intake expected
- Orders of several large projects lead  
to sales and order backlog share of  
> 70 % in Europe



**General Hospital Vöcklabruck, Austria**



## Fresenius Group: Accomplishments

- Strong financial results
  - Accelerating organic sales growth in all business segments
    - ➔ FY/07: 6 % – Q1–3/08: 7 %
  - Benefitting from leading positions in non-cyclical markets with predictable growth
  
- Significant acquisition and integration activity
  - Fresenius Kabi enters U.S. market, builds I.V. drug leadership position. U.S. market entry taking advantage of favorable FX
  - Fresenius Medical Care strengthens renal pharmaceuticals business
  - Fresenius Helios on track for € 800 m acquired revenue target by 2010
    - ➔ ~€ 590 m ✓
  
- Successful financing steps
  - Increased syndicated loan by additional \$100 million to \$3.05 billion end of November
  - Capital increase and Mandatory Exchangeable Bond successfully placed
  - Credit rating unchanged

## Fresenius Business Segments: Financial Outlook 2008 Raised or Fully Confirmed

		<b>Old guidance</b>	<b>New guidance*</b>
Fresenius Kabi (excl. APP Pharmaceuticals)	Sales growth (cc)	12 – 15 %	Confirmed at upper end of range
	EBIT margin	~16.5 %	Confirmed
Fresenius Helios	Sales	> € 2,050 m	€ 2,050 – 2,100 m
	EBIT	€ 160 – 170 m	Confirmed at upper end of range
Fresenius Vamed	Sales growth	5 – 10 %	15 – 20 %
	EBIT growth	5 – 10 %	> 10 %
Fresenius Biotech	EBIT	~ € -50 m	€ -45 to -50 m

\* As of Q3/08 conference call

# Fresenius Group\*: Sales Outlook 2008 Raised

		<b>Guidance*</b>
Revenue growth in constant currency	Raised from 8 – 10 %	9.5 – 10.5 %
Net income growth in constant currency	✓ Fully Confirmed	10 – 15 %
Capex	✓ Fully Confirmed	~ € 750 m

Fresenius Group guidance: excl. APP Pharmaceuticals and before special items

\* As of Q3/08 conference call

## Attachments



## Fresenius Group: Profit and Loss Statement, Adjusted for APP Transaction-related Special Items

€m	Q3/08	Q1-3/08	Q1-3/08 actual rates	YoY constant rates	Remarks
Sales	3,051	8,761	4 %	11 %	Organic growth: 7 %
EBIT	428	1,209	2 %	9 %	Incl. € 2 m amortization of APP intangible assets
Interest result	-104	-271	3 %	-4 %	Impact of APP and Dabur acquisitions
Taxes	-113	-327	0 %	-8 %	Tax rate: 34.9 %
Net income	112	324	9 %	14 %	

## Fresenius Group: Cash Flow

€m	Q3/08	Q1-3/08	YoY	Remarks
Cash flow	351	975	9 %	Strong earnings growth
Change in working capital	-96	-239	--	
<b>Operating Cash flow</b>	<b>255</b>	<b>736</b>	<b>-19 %</b>	Margin: 8.4 %
Capex (net)	-164	-496	-8 %	On track for full-year Guidance
<b>Cash flow</b> (bf. acquisitions and dividends)	<b>91</b>	<b>240</b>	<b>-47 %</b>	
Acquisitions (net)	-2,651	-2,875	--	Mainly APP
Dividends	-17	-235	-23 %	
Free Cash flow (after acquisitions and dividends)	-2,577	-2,870	--	

## Special Items related to APP-Transaction – EBIT and Net Income Reconciliation

€m	Q1-3/2008			
	EBIT	Financial result	Net income	Cash relevant
<b>Earnings, adjusted</b>	<b>1,209</b>		<b>324</b>	
Purchase accounting adjustments*:				
- In-process R & D	-175		-175	-
- Inventory step-up	-9		-5	-
FX gain	28		20	-
Other financial result:				
- MEB accounting (mark to market)		-38	-27	-
- CVR accounting (mark to market)		36	36	-
- One-time financing expenses**		-32	-20	(✓)
<b>Earnings according to US-GAAP</b>	<b>1,053</b>		<b>153</b>	

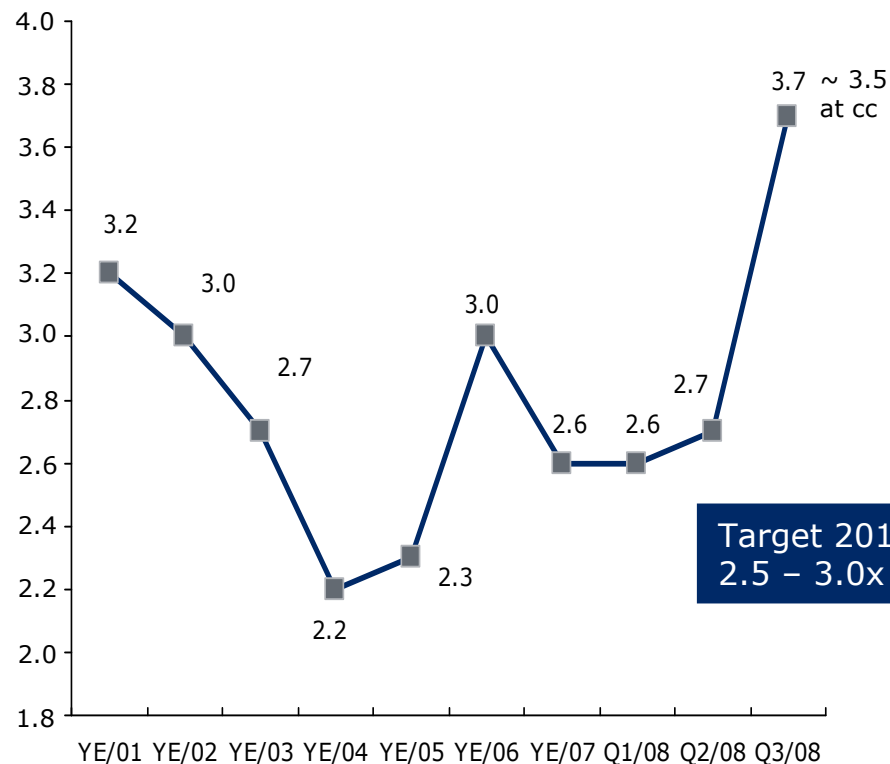
\* Figures are indicative as the purchase price allocation is still provisional. Assumptions subject to change.

\*\* In addition, € 67 m transaction-related financing expenses have been capitalized and will be depreciated over the life of the facility.

## Fresenius Group: Debt and Interest Ratios

	Sept 30, 2008	Dec 31, 2007
Debt (€m) thereof 66 % US\$ denominated	<b>8,588</b>	5,699
Net debt (€m)	<b>8,255</b>	5,338
Net debt/EBITDA	<b>3.7*</b> ~3.5 at cc	2.6
EBITDA/Interest	<b>3.9*</b>	5.5

### Net debt/EBITDA



\* Pro-forma APP acquisition and before special items



## Transaction-related special items

- Purchase accounting adjustments:
  - Currently valid US-GAAP accounting principles require full depreciation of acquired in-process R+D through the P&L at the closing of the acquisition. Under IFRS, acquired in-process R&D is capitalized and amortized over the expected life of the developed products.
  - The inventory step-up reflects the excess of fair value over book value of acquired semi-finished and finished products. The amount is capitalized and amortized in line with the sale of the respective products.
- FX gain: Recent US-dollar strength increases the value of a US\$-intercompany loan to a Fresenius Kabi Pharmaceuticals Holdings, Inc. subsidiary, resulting in a book gain in the consolidated accounts.
- Other financial result:
  - CVR (Contingent Value Right): The trading price of the CVR on the B/S date is considered as fair redemption value. Changes of this value are recognized in the P&L. Valuation changes will lead to quarterly gains or expenses until maturity.  
Calculation as of Sept. 30, 2008:  $\Delta$  between average of initial 5 days trading price of US\$ 0.97 and trading price at Sept. 30, 08 of US\$ 0.65 multiplied by 163.3 million CVRs = US\$ 52 million = € 36 million. In the B/S, the CVR liability was reduced from initially € 110 million to € 74 million.
  - MEB (Mandatory Exchangeable Bond): Mark-to-market accounting based on the Black-Scholes valuation model reflecting FMC's share price. Any change in fair value is recognized in the P&L. Valuation changes will lead to gains or expenses until maturity.
  - One-time financing expenses include commitment and funding fees for the bridge facility and the write-off of historic financing costs at APP due to refinancing of a 2007 syndicated loan.

## Fresenius Kabi: Strong Sales Growth in Q1–3/2008

€m	Q1–3/08	Q1–3/07	Organic Growth
<b>Sales</b>	1,734	1,494	9 %
By Product Segment:			
Infusion Therapy	924	793	7 %
Clinical Nutrition	701	610	11 %
Transfusion Technology	109	91	20 %

## Fresenius Kabi: Organic Sales Growth of 9 %

€m	Q1-3/08	Q1-3/07	Change	Organic Growth
Germany	323	322	0 %	3 %
Europe ex Germany	797	684	17 %	7 %
Asia-Pacific	275	227	21 %	23 %
Latin America	135	105	29 %	11 %
RoW	204	156	31 %	10 %
<b>Total sales</b>	<b>1,734</b>	<b>1,494</b>	<b>16 %</b>	<b>9 %</b>

## Fresenius Kabi: Strong EBIT Growth

€m	Q1-3/08	Q1-3/07	Growth
<b>Total EBIT</b>	290	242	20 %
Margin	16.7 %	16.2 %	
By Region:			
Europe	240	215	12 %
Margin	21.4 %	21.4 %	
International	108	81	33 %
Margin	17.6 %	16.6 %	
Corporate and Corporate R&D	-58	-54	7 %

## Fresenius Helios: Outstanding Sales Growth

€m	Q1-3/08	Q1-3/07	Growth
<b>Total sales</b>	1,568	1,348	16 %
- established clinic portfolio	1,423	1,348	5 %*
- acquisitions (consolidation < 1 yr)	145	0	

\* growth rate on a like for like basis

## Fresenius Helios: Excellent Earnings Development

€m	Q1-3/08	Q1-3/07	Growth
<b>Total EBIT</b>	127	110	15 %
Margin	8.1 %	8.2 %	
- established clinic portfolio	136	110	
Margin	9.6 %	8.2 %	
- acquisitions (consolidation < 1 yr)	-9	0	

## Fresenius Vamed: Strong Sales Development

€m	Q1-3/08	Q1-3/07	Change
<b>Total sales</b>	290	234	24 %
By Division:			
Project business	167	125	34 %
Service business	123	109	13 %
<b>Order intake*</b>	242	222	9 %
<b>Order backlog*</b>	569	510**	12 %

\* project business only    \*\* Dec 31, 2007

## Fresenius Vamed: Strong EBIT Development

€m	Q1-3/08	Q1-3/07	Change
<b>Total EBIT</b>	14	11	27 %
Margin	4.8 %	4.7 %	
<b>Net income</b>	14	11	27 %



## Financial Calendar

19.2.2009	Report on Fiscal Year 2008
30.4.2009	Report on 1 <sup>st</sup> quarter 2009
8.5.2009	Annual General Meeting, Frankfurt/Main
4.8.2009	Report on 1 <sup>st</sup> half 2009
3.11.2009	Report on 1 <sup>st</sup> -3 <sup>rd</sup> quarters 2009

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