



## Health Care Worldwide



**DrKW German Investment Seminar, January 8, 2007, New York**

# Fresenius Group: In a Nutshell



- Listed on Frankfurt Stock Exchange (MDAX)
- Projected 2006 revenue: > 10.7 €bn
- Active in approx. 100 countries
- More than 100,000 employees worldwide

**North America**  
45 % of total sales

**Europe**  
43 % of total sales

**Asia-Pacific**  
6 % of total sales

**Latin America**  
4 % of total sales

**Africa**  
2 % of total sales

36.1 %

100 %

100 %

100 %



Fresenius Medical Care

**Dialysis**



Fresenius  
Kabi

**Infusion and  
Nutrition  
Therapy**



**Hospital  
Management**



**Oncology /  
Immunology  
Therapies**

Note: regional sales distribution as of September 30, 2006

# Fresenius Group: Highlights Q1-3 2006

- Strong sales growth in all business segments and regions
- Double-digit EBIT growth in all business segments – Q1-3 EBIT exceeds 1 billion € for the first time
- Growth initiatives continued
  - Acquisition of the phosphate binder business from Nabi Biopharmaceuticals by Fresenius Medical Care
  - Acquisition of Filaxis – an Argentinian generic I.V.drug company by Fresenius Kabi
- Conversion of Fresenius AG into a European Company (SE) and share split

# Fresenius Group: Increased Growth in Sales, EBIT and Net Income

Q1-3 2006	Sales 7,843 €m	EBIT 1,060 €m	Net income 233 €m
Growth at constant currency rates	+ 36 %	+ 49 %	+ 43 %
Growth at actual currency rates	+ 37 %	+ 51 %	+ 45 %

# Fresenius Group: Double-Digit Earnings Growth in All Business Segments

Q1-3 2006	Fresenius Medical Care	Fresenius Kabi	Fresenius ProServe
Sales Growth	6,147 US\$m + 23 %	1,404 €m + 13 %	1,526 €m + 6 %*
EBIT Growth	964 US\$m + 39 %	213 €m + 25 %	105 €m + 21 %*

\* based on Q1-3 2005 incl. HELIOS Kliniken



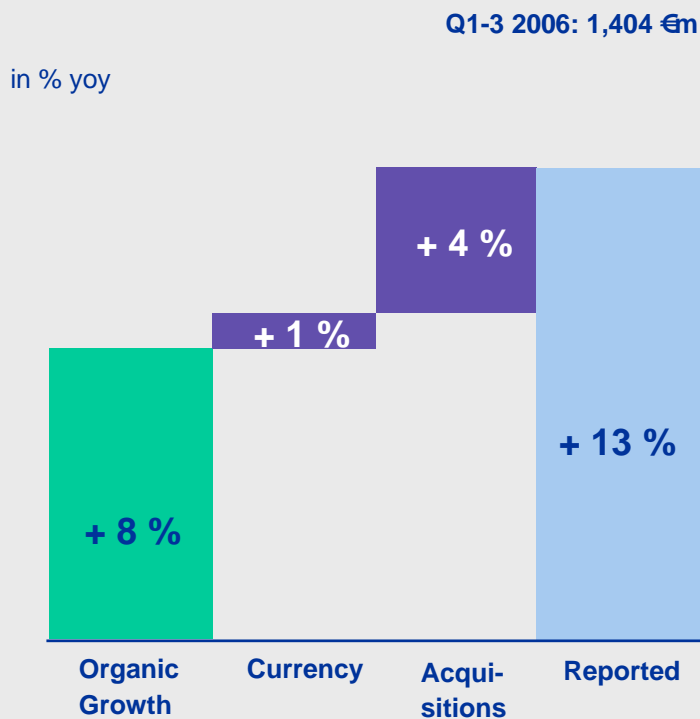
Fresenius  
Kabi

# Fresenius Kabi: Sales Q1-3 2006

€m	Q1-3 2006	Q1-3 2005	Organic Growth
Total Sales	<b>1,404</b>	1,239	8 %
<b>By Product Segment:</b>			
Infusion Therapy	<b>761</b>	658	7 %
Clinical Nutrition	<b>555</b>	497	10 %
Transfusion Technology	<b>88</b>	84	2 %

# Fresenius Kabi: Strong Organic Sales Growth of 8 %

## Sales growth analysis



Regional Sales	Q1-3 2006 €m	Q1-3 2005 €m	Growth	Organic Growth
Germany	<b>319</b>	306	4 %	0 %
Europe ex Germany	<b>650</b>	604	8 %	6 %
Asia-Pacific	<b>190</b>	132	44 %	22 %
Latin America	<b>94</b>	72	31 %	17 %
RoW	<b>151</b>	125	21 %	18 %
<b>Total sales</b>	<b>1,404</b>	1,239	<b>13 %</b>	<b>8 %</b>



# Fresenius Kabi: Excellent EBIT Growth – Record Margin of 15.8% in Q3/06

€m	Q1-3 2006	Q1-3 2005	Change
EBIT	<b>213</b>	170	25 %
EBIT margin	<b>15.2 %</b>	13.7 %	
<b>EBIT by Region:</b>			
Europe	<b>187</b>	159	18 %
EBIT margin	<b>19.3 %</b>	17.5 %	
International	<b>72</b>	53	36 %
EBIT margin	<b>16.6 %</b>	16.1 %	
Corporate and Corporate R&D	<b>- 46</b>	- 42	

# Fresenius Kabi: 2006 Earnings Outlook Raised

	Previous 2006 guidance	<b>Updated guidance</b>
Revenue growth at constant currency	~ 11 – 12 %	<b>~ 11 – 12 %</b>
EBIT margin	> 15 %	<b>15.0 – 15.5 %</b>



fresenius  proServe

# Fresenius ProServe: Significant German Hospital Privatization Opportunity

- Germany is Europe's largest hospital market (> 60 € billion market size)
- Only ~10 % of German acute hospital beds managed by private operators; privatization trend expected to gain pace
- Market provides value-creation opportunity for efficient players with superior medical quality
- HELIOS owns 56 clinics (~15,800 beds); superior growth and margin profile



Source: DKG – German Hospital Federation (2004)  
Federal Statistical Office Germany (2004) Healthcare expenses adjusted to OECD's definition

# Fresenius ProServe: Sales Development – Fully in Line with Guidance

€m	Q1-3 2006	Q1-3 2005 incl. HELIOS	Organic Growth
Sales	<b>1,526</b>	1,442	3 %
<b>Sales by Division:</b>			
Hospital Operations (HELIOS)	<b>1,204</b>	1,152	2 %
Engineering + services for hospitals and the pharmaceutical industry (VAMED + Pharmaplan)	<b>322</b>	290	11 %
Order intake	<b>291</b>	239	22 %

# Fresenius ProServe: Strong EBIT Growth in Both Divisions

€m	Q1-3 2006	Q1-3 2005 incl. HELIOS	Growth
EBIT	<b>105</b>	87	21 %
EBIT margin	6.9 %	6.0 %	
<b>EBIT by Division:</b>			
Hospital operations	<b>94</b>	79	19 %
EBIT margin	7.8 %	6.8 %	
Engineering + services for hospitals and the pharmaceutical industry	<b>14</b>	9	55 %
EBIT margin	4.5 %	3.2 %	
Corporate costs	<b>- 3</b>	- 1	-

# Fresenius ProServe: 2006 Outlook – Targeting Top-end of Guidance

## Guidance

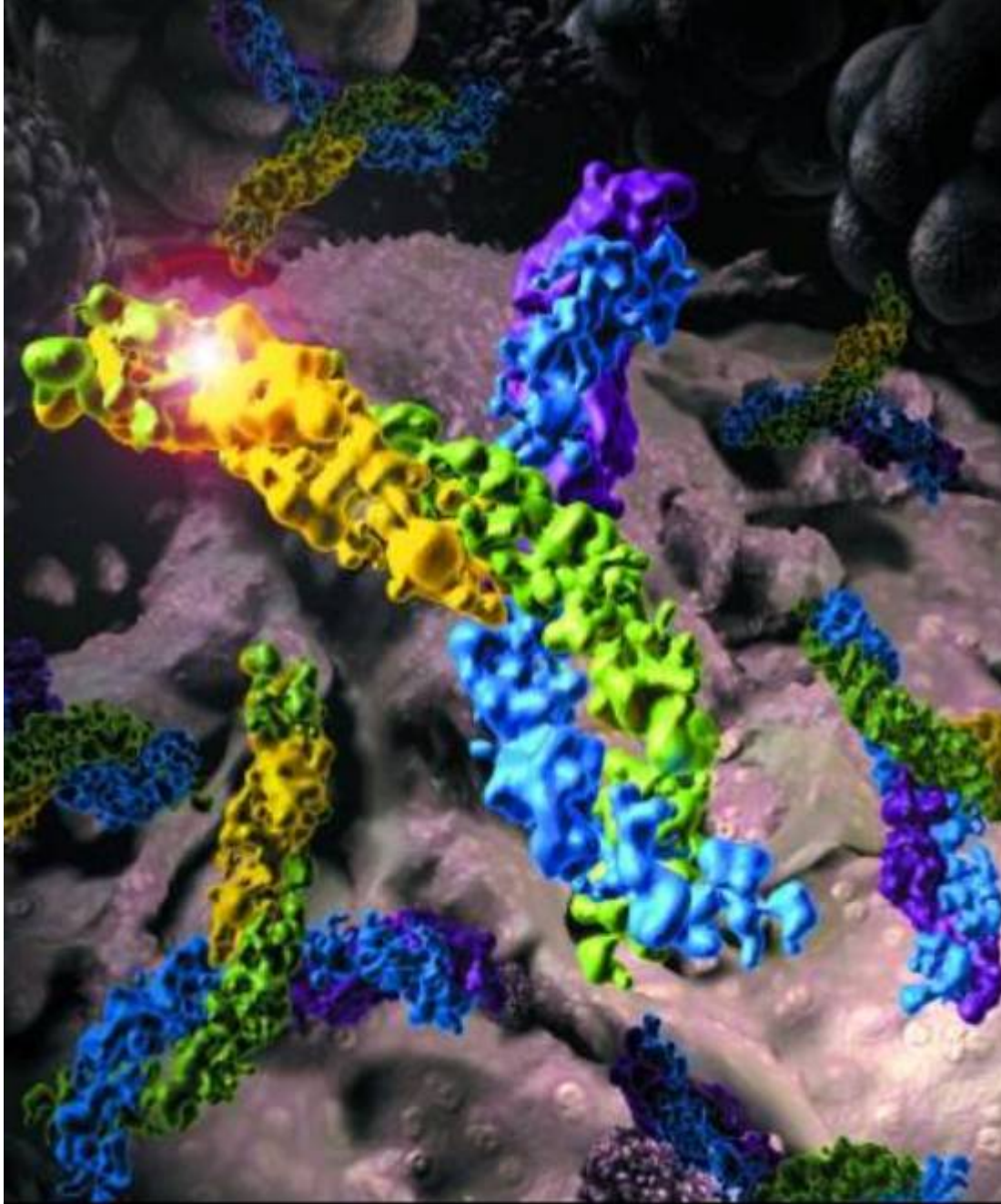
Organic revenue  
growth

Based on 2005 sales incl. HELIOS of 2,009 €m

1 – 3 %

EBIT

140 – 150 €m



**Fresenius**  
Biotech



# Fresenius Biotech: Project Portfolio

Project	Phase of development					
	R & D	Pre-Clinical	Phase I	Phase II	Phase III	Commercialization & Phase IV
ATG						
ATG SCT Study						
ATG USA						
Malignant Ascites (removab®)						
Ovarian Cancer (removab®)				IIa		
Peritoneal Carcinoma/ Gastric Cancer (removab®)						
Breast Cancer (rexomun™)						
NSCLC (removab®)						
Pleural Effusion (removab®)						
Tolerance induction (TAIC)						

# Encouraging Results of removab<sup>®</sup> in Pivotal Phase II/III Trial – Malignant Ascites in Ovarian Cancer Patients

## Key findings

- Primary endpoint puncture free survival achieved: 52 days vs. 11 days ( $p < 0.0001$ )
- Key secondary endpoints achieved:
  - time to first therapeutic puncture 71 days vs. 11 days ( $p < 0.0001$ )
  - tumor cell reduction in ascites fluid ( $p < 0.0009$ )
  - safety/tolerability
- Conclusion
  - Primary and key secondary endpoints with statistically and clinically significant improvement
  - New palliative therapeutic option for malignant ascites in ovarian cancer
  - Survival data to follow in H1 2007

# Fresenius Group: Unique Opportunities in All Business Segments



Market leader in attractive North American market; International segment with superior growth and profitability – the only public investment opportunity to participate in non-US dialysis service and hemodialysis products business



Superior growth resulting from leading emerging markets position and successful core market product initiatives



Two-pronged strategy to benefit from significant German hospital privatization opportunity through leading hospital management and outsourcing project management presence



Attractive growth option based on proprietary antibody technology

# Fresenius Group: 2006 Financial Outlook Raised

	Previous 2006 guidance	Updated guidance
Revenue at constant currency Revenue growth	~ 10.7 €bn ~ 35 %	> 10.7 €bn > 35 %
Net income growth at constant currency	~ 40 %	40 – 45 %

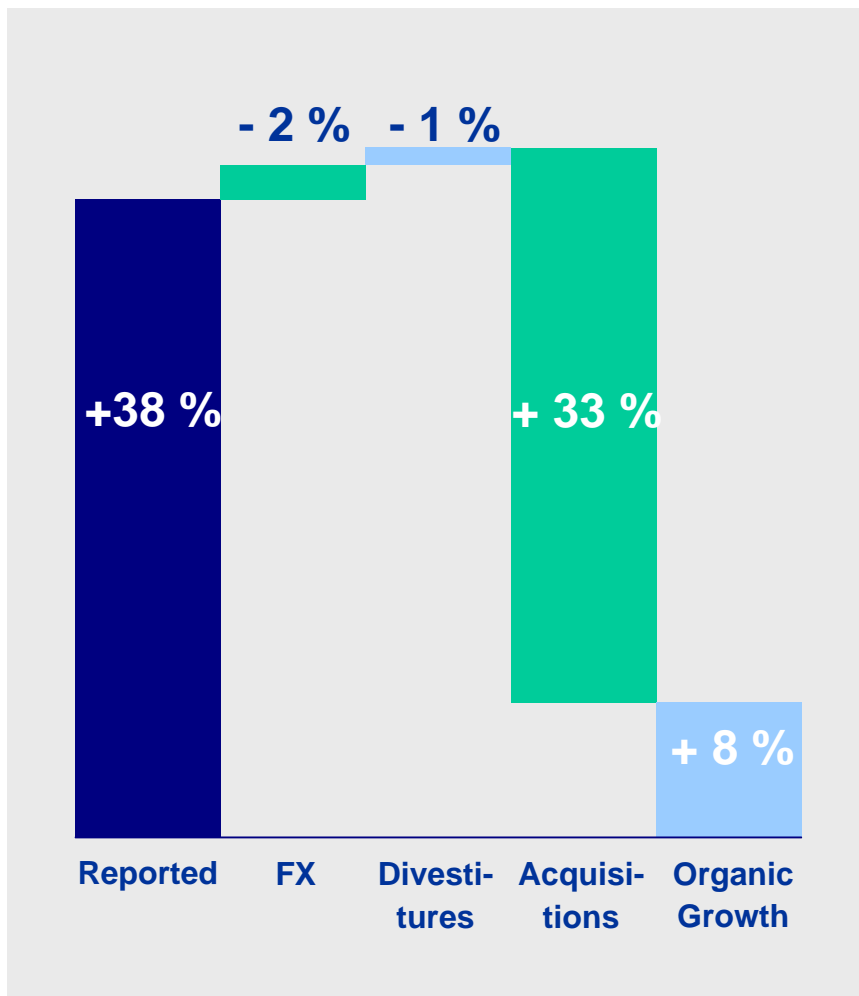


# Group Financials Q1-3 2006

# Fresenius Group: Profit and Loss Statement

€m	Q3 2006	Q1-3 2006	Q1-3 2006 actual rates	YoY constant rates	Remarks on Q1-3
Sales	2,765	7,843	+ 37 %	+ 36 %	strong 9 % organic growth
EBIT	379	1,060	+ 51 %	+ 49 %	incl. +12 €m (net) one-time items / SFAS 123R
Interest result	- 101	- 295	- 102 %	- 101 %	incl. 30 €m refinancing costs
Taxes	- 107	- 313	- 43 %	- 42 %	
Net income	93	233	+ 45 %	+ 43 %	
EPS (prefs) (€)	1.81	4.58	+ 16 %	+ 15 %	


# Fresenius Group: Sales Growth Analysis Q3 2006



Organic Growth	Q3	Q2	Q1
Fresenius Medical Care	10 %	9 %	9 %
Fresenius Kabi	7 %	7 %	9 %
Fresenius ProServe*	2 %	12 %	5 %

\* excl. HELIOS in 2005

# Fresenius Group: Impact of Acquisition / Financing Related One-time Expenses and Accounting Change

€m	FY 2006 Guidance			Q1-3 2006			Status
	EBIT	Interest	Net income	EBIT	Interest	Net income	
FMC – transformation, restructuring costs and in-process R&D	- 26		- 6	- 8		- 1	
Accounting change – stock options	- 16		- 7	- 12		- 6	
FMC – FTC-related clinic divestitures	32		- 1	32		- 1	✓
Early redemption Fresenius 2003 Bond		- 18	- 11		- 18	- 11	✓
FMC – write-off prepaid financing fees		- 12	- 3		- 12	- 3	✓
<b>Total</b>	<b>- 10</b>	<b>- 30</b>	<b>- 28</b>	<b>12</b>	<b>- 30</b>	<b>- 22</b>	



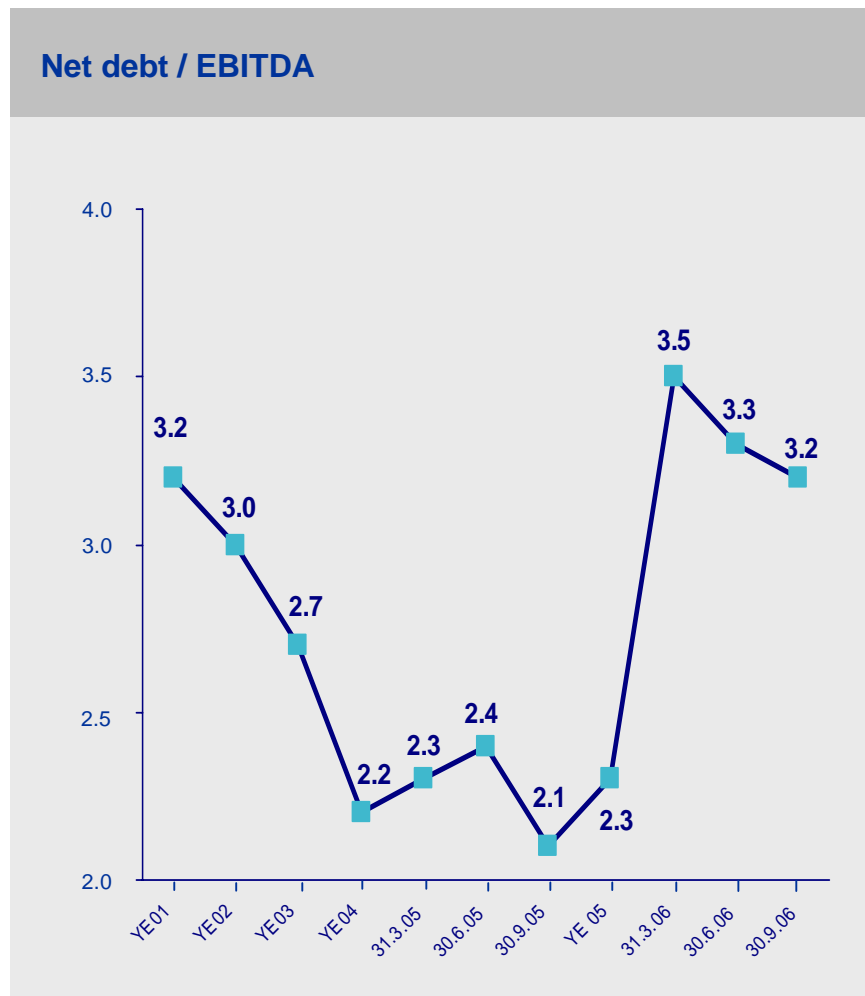
# Fresenius Group: Cash Flow

€m	Q3 2006	Q1-3 2006	Q1-3 2006 YoY	Remarks on Q1-3
Cash flow	281	750	+ 30 %	strong earnings growth
Change in Working capital	- 66	- 162	--	incl. 159 €m payments related to RCG acquisition and US tax audit of 2000/01
Operating Cash flow	215	588	- 1 %	
Capex (net)	- 147	- 360	- 100 %	
Cash flow (before acquisitions and dividends)	68	228	- 45 %	
Acquisitions (net)	- 52	- 3,055	--	mainly Renal Care Group
Dividends	- 5	- 159	- 20%	
Free Cash flow (after acquisitions and dividends)	11	- 2,986	--	

# Fresenius Group: Debt and Interest Ratios

	September 30, 2006	March 31, 2006
Debt (€m)	<b>6,136</b>	6,657
Net debt (€m)	<b>5,881</b>	6,209
Net debt/EBITDA*	<b>3.2</b>	3.5
EBITDA/Interest*	<b>4.4</b>	6.4

\* excl. gain and EBITDA from divested dialysis clinics and one-time expenses for refinancing, incl. RCG in Q1



This presentation contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.

# Financial Calender

February 22, 2007

Report on FY 2006

May 3, 2007

Report on 1<sup>st</sup> quarter 2007

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