



Health Care Worldwide



Analysts Meeting May 4, 2005

Agenda

I. Fresenius Medical Care – Ensuring Continued Market Leadership and Improving Capital Structure

II. Business Update Q1 2005

III. Fresenius Financials Q1 2005

IV. Outlook

Fresenius Medical Care: Continued Market Leadership

A Major Step Forward!

Fresenius Group pursues market leadership positions for all of its business segments

The acquisition of Renal Care Group is an outstanding opportunity for Fresenius Medical Care to strengthen its worldwide leadership in dialysis

- Excellent geographic fit
- Strong combined management team
- Growth and margin improvement
- Improved strategic position regarding single-use and dialysis products business
- Earnings neutral to slightly accretive in 2006; clearly accretive from 2007 onward

Fresenius Medical Care: Improved Capital Structure

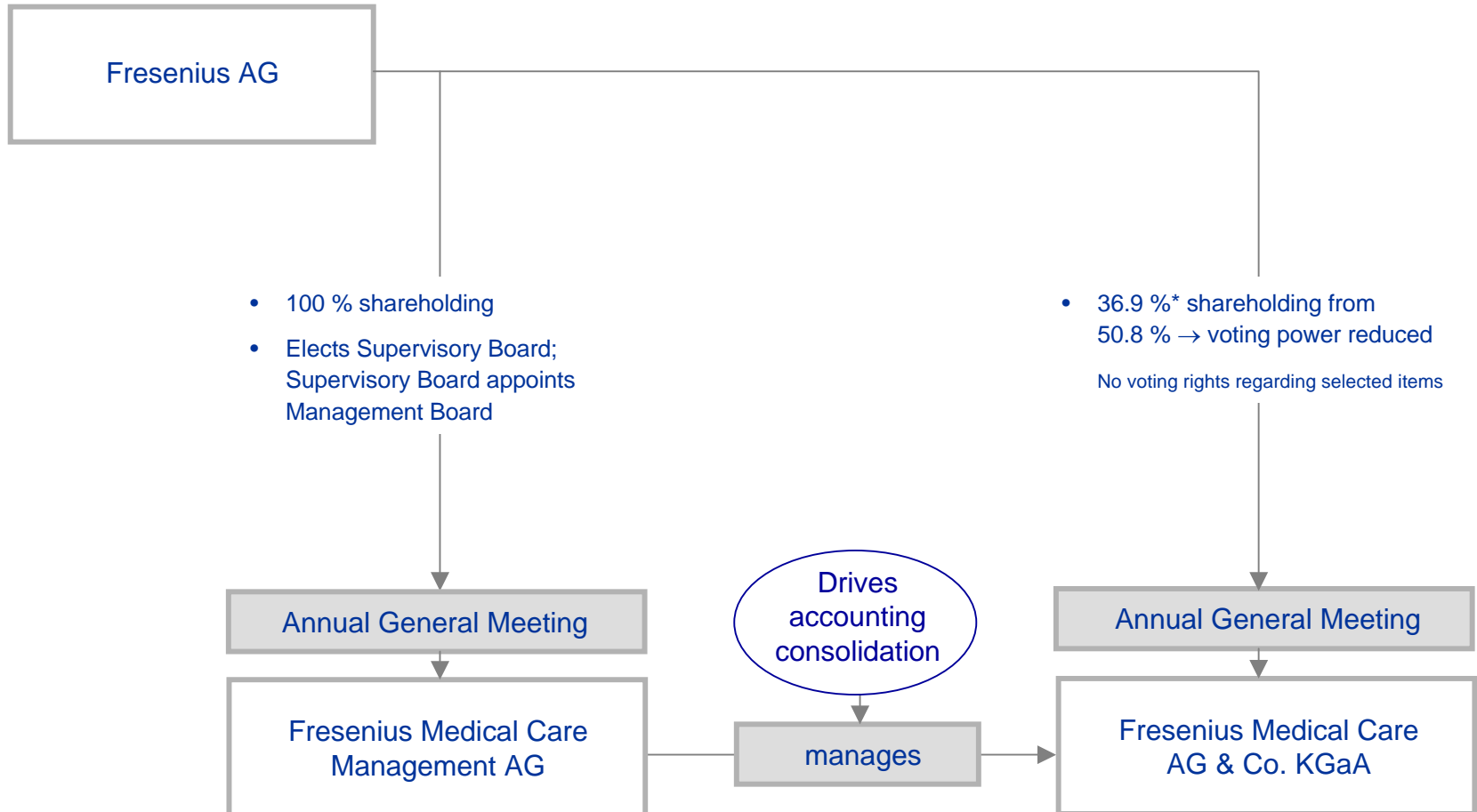
A Major Step Forward!

Criteria for a capital structure change at Fresenius Medical Care

KGaA structure

- Reduce number of share classes
- Facilitate more efficient equity financing
- Increase trading liquidity
- Improve Fresenius Medical Care's position in DAX ranking
- Maintain management control and group structure

KGaA Structure: Main Implications for Fresenius AG



* assuming total conversion of preference shares into ordinary shares

Fresenius Group: Excellent Start into 2005

	Sales 1,787 €m	EBIT 212 €m	Net income 46 €m
Growth at constant currency rates	+ 6 %	+ 10 %	+ 21 %
Growth at actual currency rates	+ 4 %	+ 8 %	+ 18 %

Business Segments: Key Highlights Q1 2005

	Fresenius Medical Care	Fresenius Kabi	Fresenius ProServe
Sales Growth	1,609 US\$m + 10 %	398 €m + 10 %	171 €m - 14 %
EBIT Growth	220 US\$m + 11 %	52 €m + 27 %	3 €m + 200 %

- Fresenius Medical Care
 - Excellent net income growth of 18 %
 - Strong performance in US and Europe continued
- Fresenius Kabi
 - Substantial increase in operating margin
 - Improved sales performance in German market
- Fresenius ProServe
 - Earnings improvement accomplished
 - Project delays at VAMED

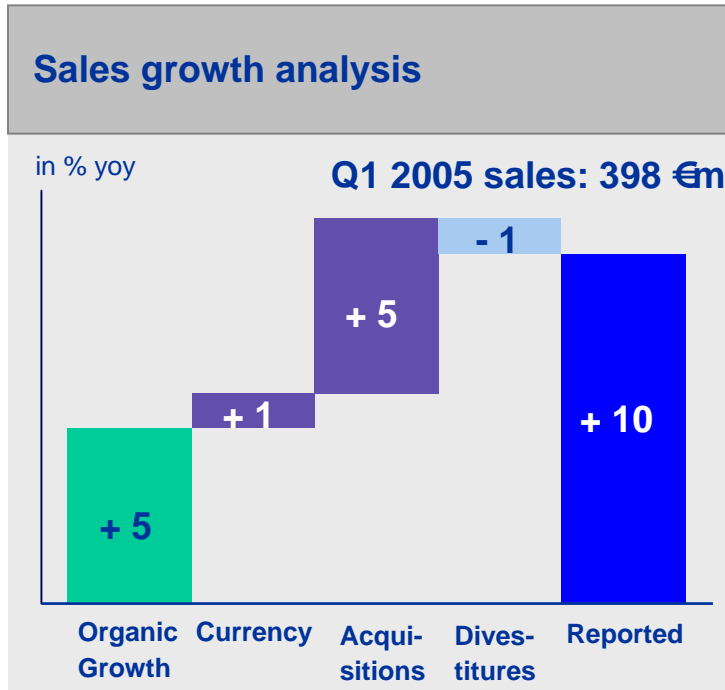


Fresenius
Kabi

Fresenius Kabi: Sales Q1 2005

€m	Q1 2005	Q1 2004	Organic Growth
Total Sales	398	362	5 %
By Product Segment:			
Infusion Therapy	213	185	5 %
Clinical Nutrition	159	149	8 %
Transfusion Technology	26	28	- 6 %

Fresenius Kabi: Sales Growth in All Regions



Regional Sales	Q1 2005 €m	Q1 2004 €m	Growth	Organic Growth
Germany	102	100	2 %	1 %
Rest of Europe	198	176	12 %	3 %
Asia-Pacific	40	36	11%	14 %
Latin America	20	19	5 %	5 %
RoW	38	31	23 %	19 %

- German sales: back on growth path
- European sales: strong increase due to Labesfal and Infusia acquisitions
- Asia-Pacific sales: continued double-digit growth

Fresenius Kabi: Excellent EBIT Performance

€m	Q1 2005	Q1 2004	Change
EBIT	52	41	+ 27 %
EBIT margin	13.1 %	11.3 %	
EBIT by Region:			
Europe	50	41	+ 22 %
EBIT margin	16.7 %	14.9 %	
International	16	12	+ 33 %
EBIT margin	16.3 %	14.0 %	
Corporate / Corporate R&D	- 14	- 12	- 17 %

Fresenius Kabi: 2005 Financial Outlook Confirmed

Revenue growth
at constant currency
(incl. Labesfal)

~ 10 %

EBIT margin
(incl. Labesfal)

> 13 %



fresenius  proServe

Fresenius ProServe: Key Figures Q1 2005

€m	Q1 2005	Q1 2004	Change
Sales	171	199	- 14 %*
- Hospital Management (WKA)	85	84	+ 2 %
- Hospital Engineering + Services (VAMED)	72	86	- 16 %
- Pharmaceutical Engineering + Services (Pharmaplan)	13	20	- 35 %
- Others** (sold/closed in 2004)	0	9	
EBIT	3	1	-

* -10 % organic; **hospitalia care; hospitalia activHealth

Fresenius ProServe: 2005 Financial Outlook Confirmed

Organic revenue growth	5 - 8 %*
EBIT	20 - 25 €m

* based on adjusted 2004 sales of 774 €m

Fresenius Group: Promising Perspectives

- Fresenius Medical Care – successful core business with major growth prospects and improved capital structure
- Fresenius Kabi – strong sales and earnings momentum, focus on I.V. drug roll-out, taking advantage of growth opportunities
- Fresenius ProServe – improved earnings outlook
- Fresenius Biotech – continued clinical study progress

Consolidated statement of income

	2004	2003	2002
Revenue	121	121	120
Cost of sales	(10)	(10)	(10)
Operating profit	111	111	110
Finance income	2	2	2
Finance expense	(1)	(1)	(1)
Share of profits of associates	1	1	1
Profit before taxation	113	113	112
Taxation	(10)	(10)	(10)
Profit for the period	103	103	102
Attributable to:			
Shareholders	103	103	102
Minority interests	-	-	-

Consolidated balance sheet

	2004	2003
ASSETS		
Cash and cash equivalents	140	122
Trade accounts receivable less allowances for doubtful accounts	57	63
Accounts receivable from related parties	519	307
Interventions	168	182
Prepaid expenses and other current assets	2,155	2,144
Deferred taxes (current)	1,495	1,721
I. Total current assets	2,905	2,937
Tangible assets	480	509
Goodwill	234	303
Other intangible assets	7	96
Other non-current assets	119	5,623
Deferred taxes (non-current)	5,435	8,341
II. Total non-current assets	6,275	14,872
Total assets	9,180	17,809

LIABILITIES AND SHAREHOLDERS' EQUITY

in million €

Trade accounts payable	
Accounts payable to related parties	
Accounts and other current liabilities	
Short-term borrowings	
Short-term liabilities and loans from related parties	
Current portion of long-term debt and other financial liabilities	
Liabilities for income taxes	
Deferred taxes (short-term)	
A. Total short-term liabilities	
Long-term debt and liabilities from participations less current portion	
Long-term accounts and loans from related parties	
Other long-term liabilities	
Pensions and similar obligations	
Deferred taxes (long-term)	
Trust preferred securities	
Total long-term liabilities	
Total liabilities	
Minority interests	
Attributable capital	
Capital reserves	
Reserves	
Retained earnings	
Shareholders' equity	
Total liabilities and shareholders' equity	

Group Financials Q1 2005

Fresenius Group: Profit and Loss Statement

in €m	Q1 2005	Q1 2004	Change actual rates	Change constant rates	
Sales	1,787	1,720	+ 4 %	+ 6 %	4 % organic growth
EBIT	212	197	+ 8 %	+ 10 %	margin increase to 11.9 %
Interest result	- 47	- 52	+ 10 %	+ 8 %	lower average debt levels <u>and</u> interest rates
Taxes	- 65	- 58	- 12 %	- 14 %	within full-year expectation of 39-40 %
Net income	46	39	+ 18 %	+ 21 %	operational <u>and</u> financial improvements
EPS (prefs) (€)	1.12	0.95	+ 18 %	+ 21 %	

Fresenius Group: Cash Flow

in €m		Q1 2005	Q1 2004	Change
Cash flow	176	165	7 %	9.8 % margin
Change in Working capital	- 8	17		influenced by FME tax payment in NA
Operating Cash flow	168	182	- 8 %	
Capex (net)	- 42	- 46	- 9 %	typical slow start in Q1
Free Cash flow (before acquisitions and dividends)	126	136	- 7 %	
Acquisitions	- 135	- 37		mainly Fresenius Kabi
Dividends	0	-1		
Free Cash flow (after acquisitions and dividends)	- 9	98		

Fresenius Group: 2005 Financial Outlook Confirmed*

	Target
Revenue growth at constant currency	6 - 9 %
Net income growth at constant currency	15 - 20 %
Capital expenditure	400 - 450 €m

* before Fresenius Medical Care's acquisition of Renal Care Group

Consolidated statement of income

	2004	2003	2002
Revenue	11	111	106
Cost of sales	(1)	(1)	(1)
Gross profit	10	110	105
Operating expenses	(10)	(10)	(10)
Operating profit	0	10	95
Other income	1	1	1
Income before income taxes and minority interests	1	11	96
Income taxes	(1)	(1)	(1)
Minority interest	(1)	(1)	(1)
Net income	(1)	9	94
Basic earnings per ordinary share in €	(0.01)	0.09	0.94
Fully diluted earnings per ordinary share in €	(0.01)	0.09	0.94
Basic earnings per preference share in €	(0.01)	0.09	0.94
Fully diluted earnings per preference share in €	(0.01)	0.09	0.94

Consolidated balance sheet

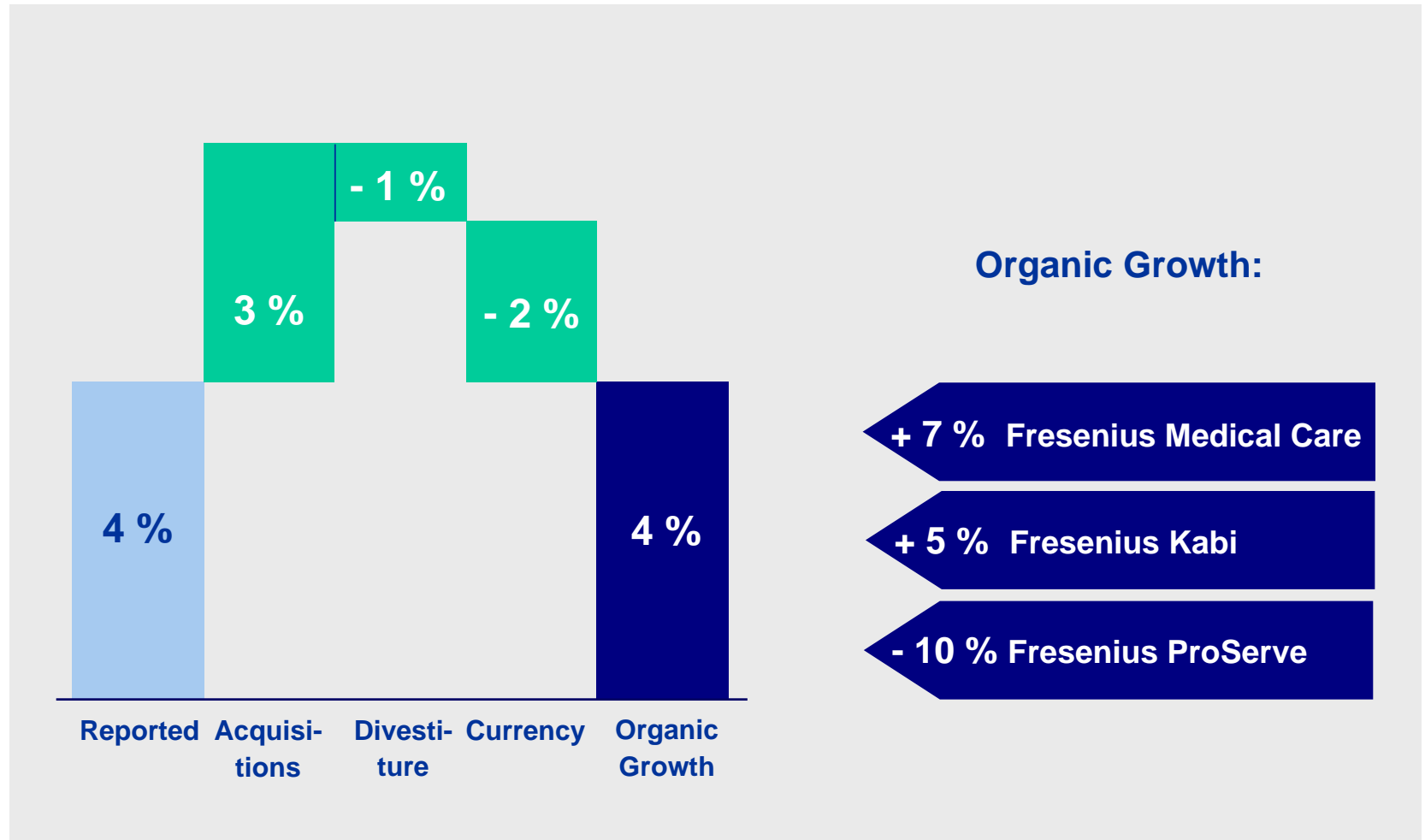
	2004	2003	2002
Cash and cash equivalents	5	1528	1815
Trade accounts receivable less allowances for doubtful accounts	6	519	643
Accounts receivable from related parties	7	383	307
Inventory	23	148	182
Prepaid expenses and other current assets	1	2,955	2,144
Deferred taxes (current)	1	1,495	1,721
I. Total current assets	9	2,905	2,812
Tangible assets	5	480	509
Goodwill	7	234	303
Other intangible assets	1	119	96
Other non-current assets	23	5,435	5,623
Deferred taxes (non-current)	1	1,186	1,341
II. Total non-current assets	27	7,445	7,873
Total assets	36	10,350	10,685

LIABILITIES AND SHAREHOLDERS' EQUITY

Trade accounts payable	1	1	1
Accounts payable to related parties	1	1	1
Accounts and other current liabilities	1	1	1
Short-term borrowings	1	1	1
Short-term liabilities and loans from related parties	1	1	1
Current portion of long-term debt and other long-term liabilities	1	1	1
Accounts for income taxes	1	1	1
Deferred taxes (short-term)	1	1	1
A. Total short-term liabilities	6	6	6
Long-term debt and liabilities from related parties less current portion	1	1	1
Long-term liabilities and loans from related parties	1	1	1
Other long-term liabilities	1	1	1
Pensions and similar obligations	1	1	1
Deferred taxes (long-term)	1	1	1
Trust preferred securities	1	1	1
Total long-term liabilities	5	5	5
Total liabilities	11	11	11
Minority interests	1	1	1
Attributable capital	1	1	1
Legal reserves	1	1	1
Tax reserves	1	1	1
Retained earnings	1	1	1
Accumulated other comprehensive income	1	1	1
Total shareholders' equity	25	9240	9674
Total liabilities and shareholders' equity	36	10,350	10,685

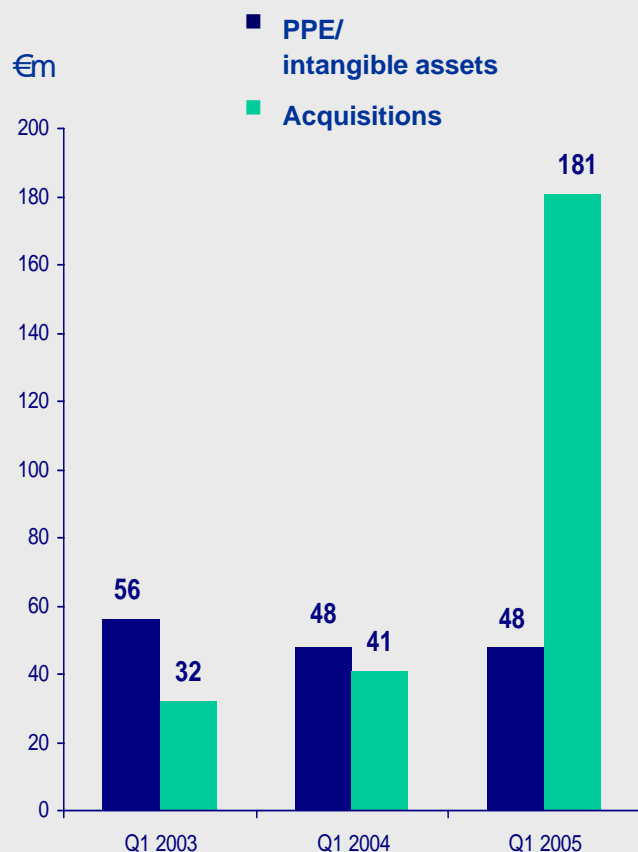
Attachments

Fresenius Group: Sales Growth Analysis Q1 2005



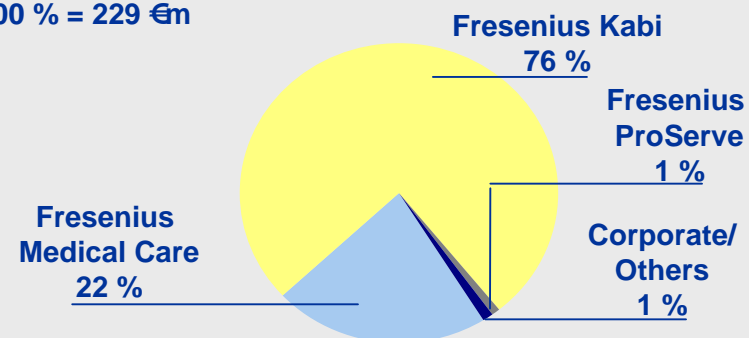
Fresenius Group: Capex and Acquisitions

Capex and Acquisitions



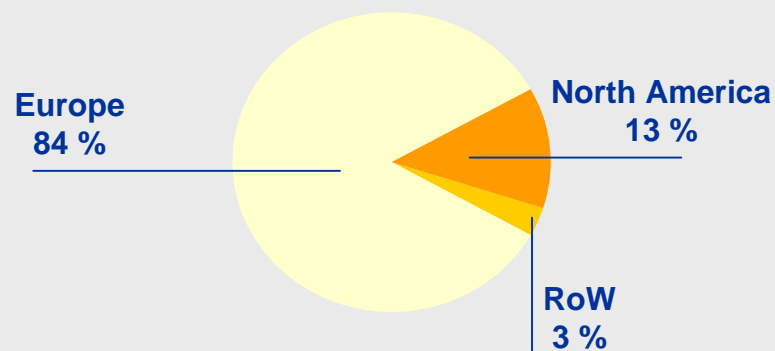
Distribution by Business Segment

100 % = 229 €m



Distribution by Region

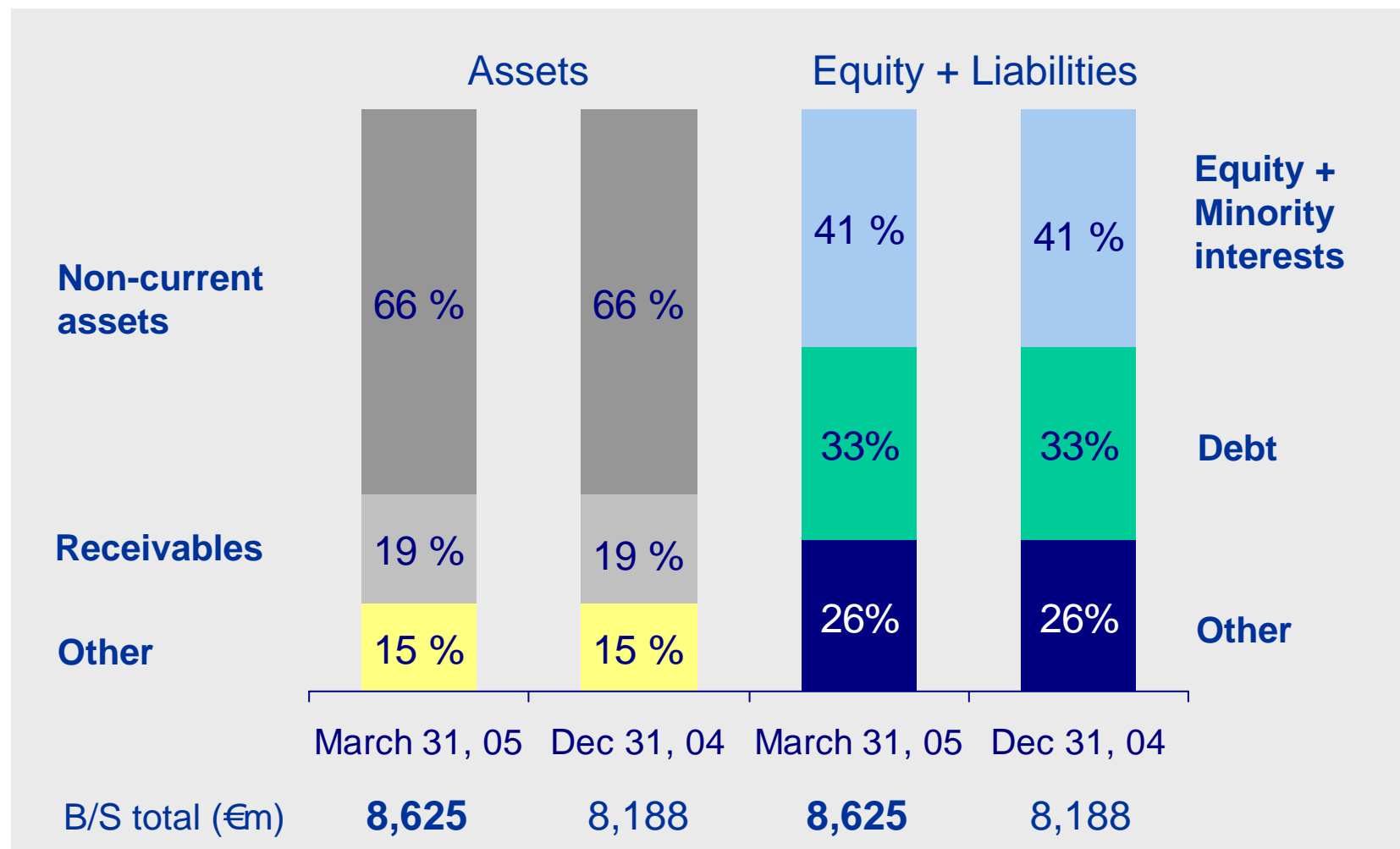
100 % = 229 €m



Fresenius Group: Debt and Interest Ratios

	Q1 2005	YE 2004
Debt (€m)	2,813	2,735
Net debt (€m)	2,667	2,595
Net debt/EBITDA	2.3	2.2
EBITDA/Interest	6.0	5.6

Fresenius Group: Solid Balance Sheet Structure



Fresenius

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.