



Health Care Worldwide



Analyst Meeting, August 3, 2006

Agenda

I. Business Update

- Fresenius Group
- Fresenius Kabi
- Fresenius ProServe
- Fresenius Biotech

II. Fresenius Financials H1 2006

III. Outlook 2006

Fresenius Group: Outstanding Financial Results

H1 2006	Sales 5,078 €m	EBIT 681 €m	Net income 140 €m
Growth at constant currency rates	+ 34 %	+ 46 %	+ 36 %
Growth at actual currency rates	+ 37 %	+ 50 %	+ 39 %

Significant Sales and Earnings Growth in All Business Segments

H1 2006	Fresenius Medical Care	Fresenius Kabi	Fresenius ProServe
Sales Growth	3,912 US\$m + 19 %	937 €m + 15 %	974 €m + 3 %*
EBIT Growth	616 US\$m + 34 %	139 €m + 26 %	62 €m + 15 %*

* based on H1 2005 incl. HELIOS Kliniken



Fresenius
Kabi

Fresenius Kabi: Revenue and Operating Margin Above Expectations

- Strong sales growth in all regions and product segments
- Significant margin and earnings improvement;
Q2/06 margin at 15.1 % – exceeding full-year guidance
- Continued productivity gains and improvements in product mix

Fresenius Kabi: Sales H1 2006

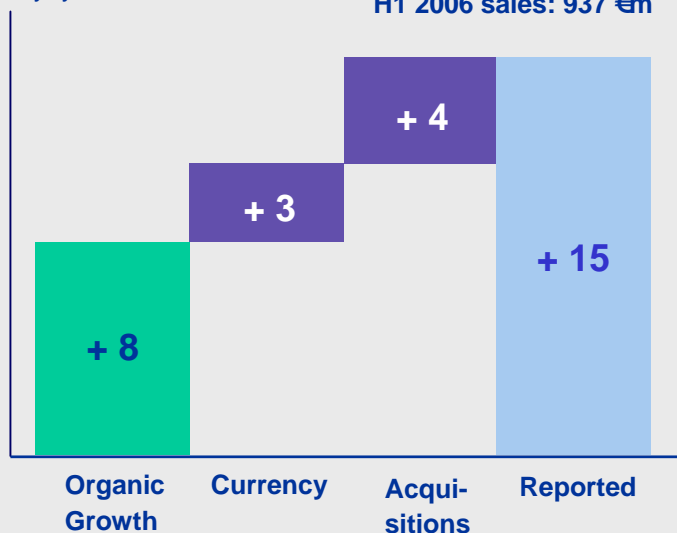
€m	H1 2006	H1 2005	Organic Growth
Total Sales	937	818	8 %
By Product Segment:			
Infusion Therapy	513	437	7 %
Clinical Nutrition	365	327	9 %
Transfusion Technology	59	54	5 %

Fresenius Kabi: Sales Growth in All Regions

Sales growth analysis

in % yoy

H1 2006 sales: 937 €m



Regional Sales	H1 2006 €m	H1 2005 €m	Growth	Organic Growth
Germany	214	203	5 %	1 %
Europe ex Germany	440	405	9 %	6 %
Asia-Pacific	122	85	44 %	18 %
Latin America	61	45	36 %	16 %
RoW	100	80	25 %	19 %

Fresenius Kabi: Outstanding EBIT Growth, Q2/06 First Quarter > 15 % ever!

€m	H1 2006	H1 2005	Change
EBIT	139	110	26 %
EBIT margin	14.8 %	13.4 %	
EBIT by Region:			
Europe	124	103	20 %
EBIT margin	19.0 %	16.9 %	
International	46	35	31 %
EBIT margin	16.3 %	16.7 %	
Corporate and Corporate R&D	-31	-28	

Fresenius Kabi: 2006 Financial Outlook Raised

	Original 2006 guidance	Updated guidance
Revenue growth at constant currency	~ 10 %	~ 11 – 12 %
EBIT margin	14.5 – 15.0 %	> 15 %



fresenius  proServe

Fresenius ProServe: Fully on Track for 2006 Targets

Hospital Operations

- Positive revenue and earnings development
- Integration of WKA into the HELIOS Group finalized; 2006 synergy expectations of 6 €m confirmed; now focus on further WKA-profitability improvements
- HUMAINE acquisition expected to close in Q3/06; EPS-accretive in 2006
- Sale of Reichenbach clinic initiated to obtain German cartel clearance for HUMAINE acquisition

Engineering and Services business

- Favorable sales development
- Strong order intake at VAMED and Pharmaplan – generating further growth
- Profitability within target expectations

Fresenius ProServe: Sales Development Fully in Line with Plan

€m	H1 2006	H1 2005 incl. HELIOS	Organic Growth
Sales	974	942	4 %
Sales by Division:			
Hospital Operations (HELIOS)	767	765	2 %
Engineering + Services for hospitals and the pharmaceutical industry (VAMED + Pharmaplan)	207	177	17 %
Order intake Engineering division	185	156	19 %

Fresenius ProServe: Positive EBIT Development

€m	H1 2006	H1 2005 incl. HELIOS	Change
EBIT	62	54	15 %
EBIT margin	6.4 %	5.7 %	
EBIT by Division:			
Hospital operations	56	48	17 %
EBIT margin	7.3 %	6.3 %	
Engineering + services for hospitals and the pharmaceutical industry	9	6	50 %
EBIT margin	4.3 %	3.4 %	
Corporate costs	- 3	-	-

Hospital Operations – Addressing Investor Concerns about Market Environment

Areas of concern:

- 2007 German VAT increase
- Strikes at German university and municipal hospitals
- Proposed 1 % budget cut

Issues to consider:

- No items becoming effective before January 2007
- Management team focused on compensating earnings impact – sufficient lead time
- VAT: significant share of HELIOS' purchases not impacted; will negotiate with suppliers to mitigate impact on remaining purchases
- Salary levels and employment conditions at HELIOS superior to university and municipal hospitals – recognized by labor representatives
- Continued operating margin upside due to WKA improvement, HUMAINE integration and recently privatized HELIOS locations

Conclusion:

- Expect continued EBIT growth in 2007
- Privatization opportunities will increase mid-term

Fresenius ProServe: 2006 Financial Outlook Fully Confirmed

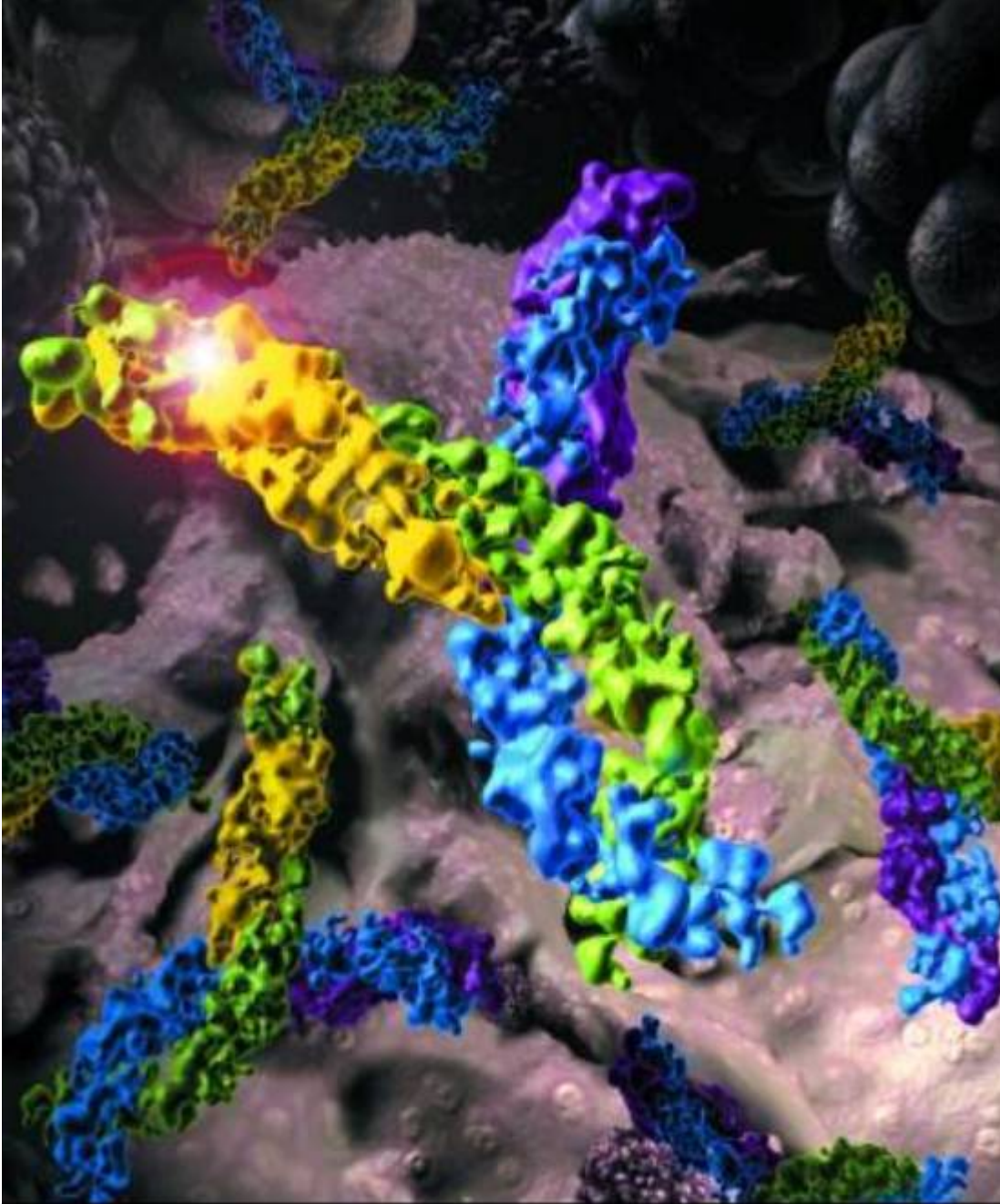
Organic revenue
growth

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

1 - 3 %

EBIT

140 - 150 €m



Fresenius
Biotech

Fresenius Biotech: Update

- 2006 EBIT outlook of -45 to -50 €m confirmed (H1 2006: -19 €m)
- Confirm: Results from Phase II/III study on malignant ascites expected end of Q4 2006

<u>Solid-tumor phase II studies</u>	<u>Status</u>	<u>No. of patients</u>
Breast cancer	started	~ 40
Gastric cancer	started	~ 50
Ovarian cancer	planned	~ 40

Fresenius Group: Unique Opportunities in All Business Segments

Fresenius Medical Care: 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

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

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

Fresenius Biotech: Attractive growth option based on proprietary antibody technology

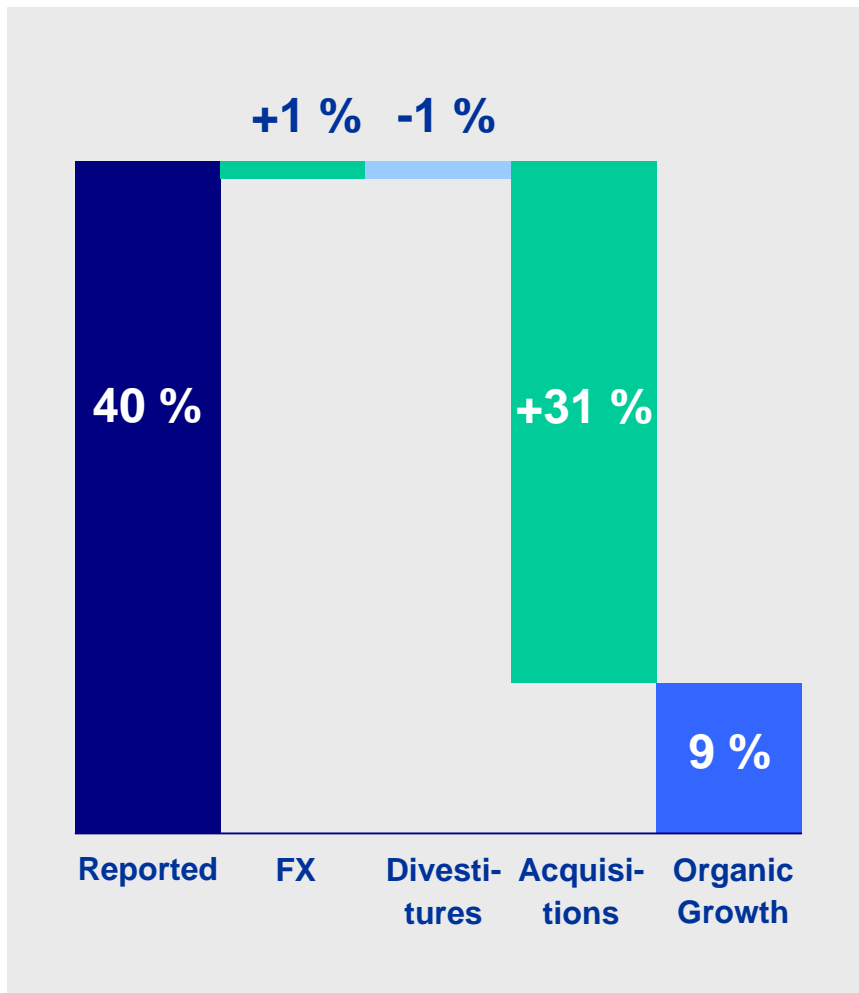


Group Financials H1 2006

Fresenius Group: Profit and Loss Statement

€m	Q2 2006	H1 2006	H1 2006 actual rates	YoY constant rates	Remarks on H1
Sales	2,690	5,078	+37 %	+34 %	9 % organic growth
EBIT	390	681	+50 %	+46 %	
Interest result	-110	-194	-100 %	-95 %	
Taxes	-128	-204	-46 %	-41 %	
Net income	75	140	+39 %	+36 %	
EPS (prefs) (€)	1.48	2.77	+12 %	+9 %	

Fresenius Group: Sales Growth Analysis Q2 2006



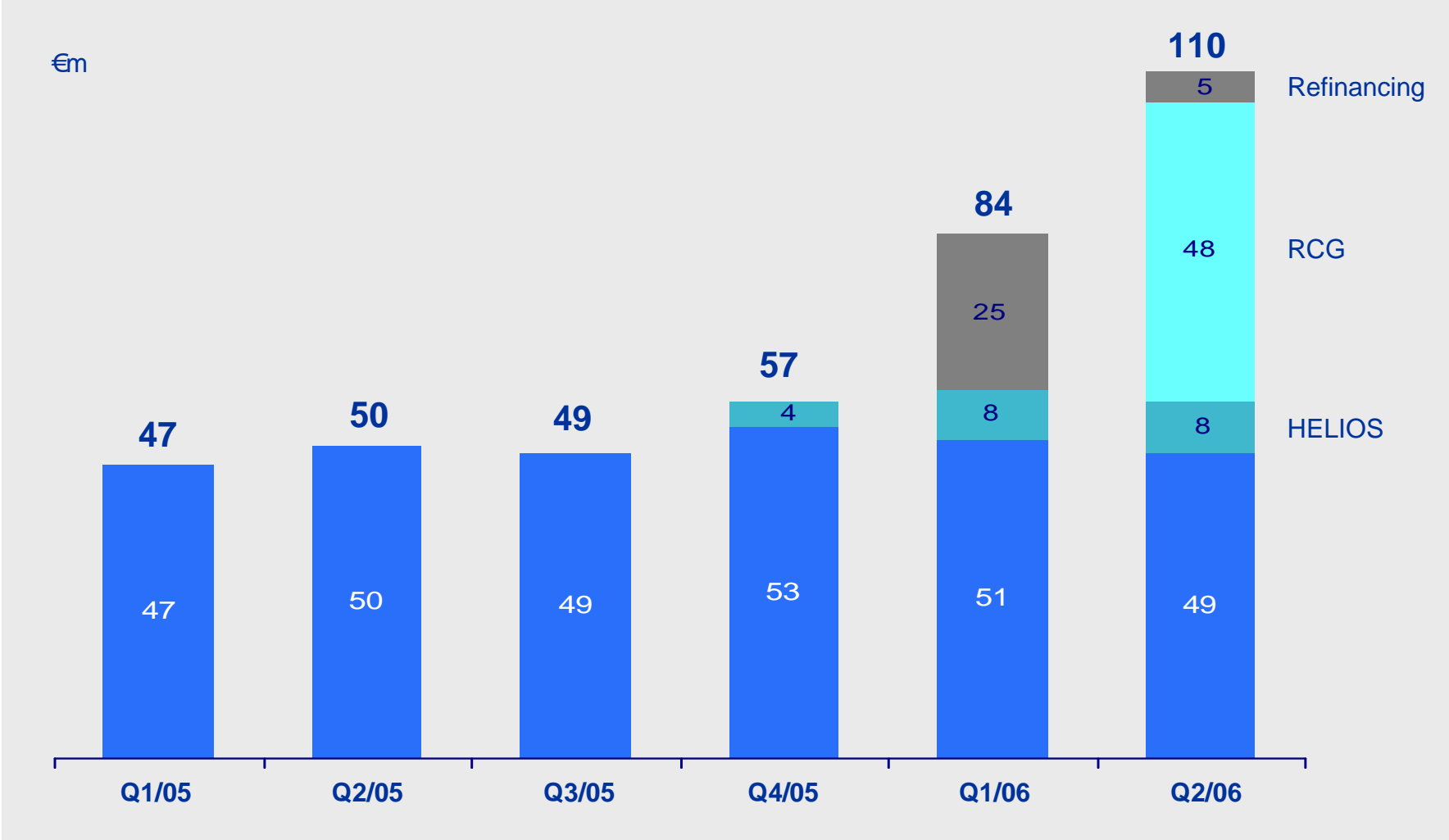
Organic Growth	Q2 2006	Q1 2006
Fresenius Medical Care	9 %	9 %
Fresenius Kabi	7 %	9 %
Fresenius ProServe*	12 %	5 %

* excl. HELIOS in 2005

Fresenius Group: Profit and Loss Statement

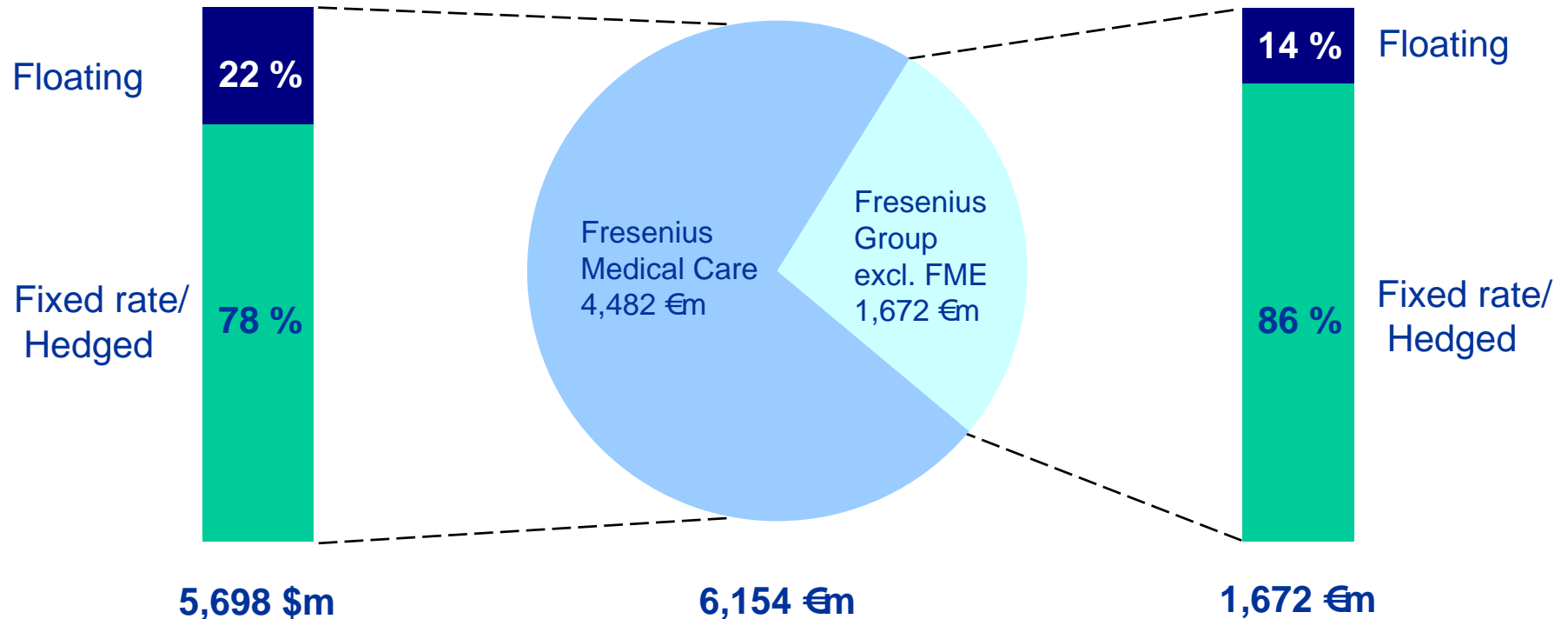
€m	Q2 2006	H1 2006	H1 2006 actual rates	YoY constant rates	Remarks on H1
Sales	2,690	5,078	+37 %	+34 %	9 % organic growth
EBIT	390	681	+50 %	+46 %	incl. +21 €m (net) one-time items / SFAS 123R
Interest result	-110	-194	-100 %	-95 %	incl. 30 €m refinancing costs
Taxes	-128	-204	-46 %	-41 %	
Net income	75	140	+39 %	+36 %	
EPS (prefs) (€)	1.48	2.77	+12 %	+9 %	

Fresenius Group: Interest Development



Fresenius Group: Debt Portfolio

As of June 30, 2006




An increase of Euro and US interest rates by 50 bps will increase the interest expense by 6 €m p.a.

Fresenius Group: Profit and Loss Statement

€m	Q2 2006	H1 2006	H1 2006 YoY		Remarks on H1
			actual rates	constant rates	
Sales	2,690	5,078	+37 %	+34 %	9 % organic growth
EBIT	390	681	+50 %	+46 %	incl. +21 €m (net) one-time items / SFAS 123R
Interest result	-110	-194	-100 %	-95 %	incl. 30 €m refinancing costs
Taxes	-128	-204	-46 %	-41 %	incl. 36 €m tax payment on divestiture of dialysis clinics
Net income	75	140	+39 %	+36 %	incl. -19 €m one-time items / SFAS 123R
EPS (prefs) (€)	1.48	2.77	+12 %	+9 %	

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

€m	2006 New Guidance			H1 2006			Status
	EBIT	Interest	Net income	EBIT	Interest	Net income	
Transformation and RCG integration	-19		-4	-3		-	
Accounting change – stock options	-16		-7	-8		-3	
FTC-related clinic divestitures	32		-2	32		-2	✓
Early redemption Fresenius 2003 Bond		-18	-11		-18	-11	✓
FMC – write-off prepaid financing fees		-12	-3		-12	-3	✓
Total	-3	-30	-27	21	-30	-19	

Fresenius Group: Net Income Development



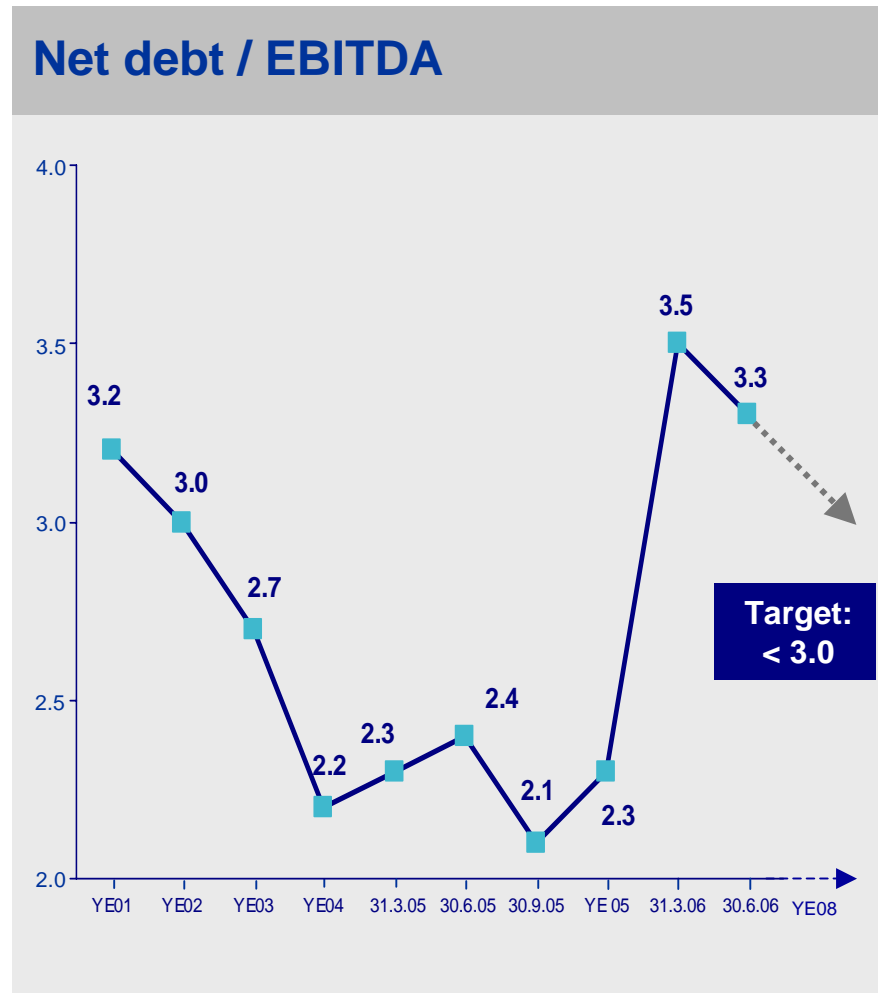
Fresenius Group: Cash Flow

€m	Q2 2006	H1 2006	H1 2006 YoY	Remarks on H1
Cash flow	254	471	+27 %	strong earnings growth
Change in Working capital	-55	-86	+88 %	incl. 61 €m RCG acquisition-related tax payments
Operating Cash flow	199	385	+17 %	
Capex (net)	-118	-213	+103 %	
Cash flow (before acquisitions and dividends)	81	172	-23 %	
Acquisitions (net)	+275	-3,015	--	mainly Renal Care Group
Dividends	-154	-154	--	
Free Cash flow (after acquisitions and dividends)	202	-2,997	--	

Fresenius Group: Debt and Interest Ratios

	H1 2006	Q1 2006
Debt (€m)	6,154	6,657
Net debt (€m)	5,901	6,209
Net debt/EBITDA*	3.3	3.5
EBITDA/Interest*	4.2	6.4

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



Fresenius Group: 2006 Financial Outlook Raised

	Original 2006 guidance	Updated guidance
Revenue <small>at constant currency</small> Revenue growth	~ 10.5 €bn ~ 30 %	~ 10.7 €bn ~ 35 %
Net income growth <small>at constant currency</small>	> 30 %	~ 40 %

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.



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Attachments

Fresenius Group: Key Figures According to IFRS

in €m	H1 2006 US GAAP	H1 2006 IFRS
Sales	5,078	5,078
EBIT	681	686
Interest result	-194	-194
Net income	140	142
Operating Cash flow	393	395
Balance sheet total	14,831	14,850