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Fresenius Investor News

Excellent financial results in the 1st-3rd quarter of 2005; full-year outlook confirmed

- Sales € 5.7 billion,
 + 7 % in constant currency, + 6 % at actual rates
- EBIT € 703 million,
 + 13 % in constant currency, + 12 % at actual rates
- Net income € 161 million,
 + 30 % in constant currency, + 29 % at actual rates

- Fresenius Medical Care continues strong sales and earnings growth
- Fresenius Kabi achieves excellent operating income and strong organic growth
- Fresenius ProServe increases order intake by 20 %

Compared to the preliminary figures announced on October 14, 2005, EBIT improved by € 1 million to € 703 million and net income by € 2 million to € 161 million.

2005 Group outlook confirmed

Fresenius confirms its increased earnings guidance as announced in the preliminary nine-month results release on October 14, 2005 as well as its sales expectation for the full-year 2005 (before the announced acquisitions).

Sales – high organic growth

In the first nine months of 2005, Group sales increased 7 % in constant currency. Organic growth contributed 6 % and acquisitions 2 % to this increase. Currency translation had a -1 % and divestments a -1 % effect on sales. Sales were € 5,712 million, an increase of 6 % at actual rates (Q1-3 2004: € 5,399 million).

Remarkable constant-currency sales growth was achieved in the main markets North America and Europe of 7 % each. Strong growth rates were achieved in Latin America (+20 %) and in Africa (+29 %). In Asia-Pacific, Fresenius Kabi achieved excellent sales growth. The lower project volume at Fresenius ProServe impacted the sales development in this region.

in million €	Q1-3/ 2005	Q1-3/ 2004	Change	Change at constant rates	Organic growth	Currency translation effects	Acquisitions/ Divestitures	% of total sales
Europe	2,216	2,071	7%	7%	6%	0%	1%	39%
North America	2,729	2,620	4%	7%	6%	-3%	1%	48%
Asia-Pacific	381	405	-6%	-6%	-6%	0%	0%	7%
Latin America	252	200	26%	20%	16%	6%	4%	4%
Africa	134	103	30%	29%	28%	1%	1%	2%
Total	5,712	5,399	6%	7%	6%	-1%	1%	100%

Sales contribution of the three business segments:

	Q1-3/2005	Q1-3/2004
Fresenius Medical Care	69%	69%
Fresenius Kabi	21%	20%
Fresenius ProServe	10%	11%

Excellent earnings growth

EBITDA increased 11 % in constant currency and 9 % at actual rates to € 937 million (Q1-3 2004: € 857 million). Group EBIT rose 13 % in constant currency and 12 % at actual rates to € 703 million (Q1-3 2004: € 628 million). The Group EBIT margin further improved to 12.3 % in the first nine months of 2005 (Q1-3 2004: 11.6 %).

Group net interest was € -146 million in the first nine months of 2005 (Q1-3 2004: € -156 million). This improvement was mainly the result of a lower debt level compared to the first nine months of 2004 in combination with lower interest rates.

The tax rate for the first nine months of 2005 was 39.3% (Q1-3 2004: 40.3 %), in line with the full-year expectation.

Minority interest increased to € 177 million (Q1-3 2004: € 157 million). 96 % was attributable to minority interest of Fresenius Medical Care.

Group net income grew strongly by 30 % in constant currency and by 29 % at actual rates to € 161 million (Q1-3 2004: € 125 million). Excellent operating results of the

two largest business segments Fresenius Medical Care and Fresenius Kabi, lower interest expenses and a lower tax rate contributed to this increase.

Earnings per ordinary share were € 3.92 (Q1-3 2004: € 3.04). Earnings per preference share were € 3.94 (Q1-3 2004: € 3.06). EPS increased 29 % for both share classes.

Investments considerably increased

In the first nine months of 2005, Group investments increased considerably to € 460 million (Q1-3 2004: € 253 million). € 196 million was spent for property, plant and equipment and intangible assets (Q1-3 2004: € 174 million) and € 264 million for acquisitions (Q1-3 2004: € 79 million). The increase in acquisition spending was mainly driven by Fresenius Kabi.

Solid cash flow performance

Fresenius achieved a very good operating cash flow of € 592 million in the first nine month of 2005 (Q1-3 2004: € 580 million). This positive performance was driven by improved earnings whereas higher income tax payments of Fresenius Medical Care in North America had a negative effect. Free cash flow before acquisitions and dividends was € 412 million (Q1-3 2004: € 423 million). Free cash flow after acquisitions (€ 213 million) and dividends (€ 132 million) was € 67 million (Q1-3 2004: € 232 million). This figure was driven by significantly higher acquisition-spending and higher dividend payments.

Solid balance sheet structure

Total assets increased 12% to € 9,196 million (December 31, 2004: € 8,188 million). In constant currency, total assets grew 5 %. Current assets increased 15 % to € 3,163 million (December 31, 2004: € 2,755 million). In constant currency, current assets grew 9 %. This increase was driven by acquisitions and growth of operations.

Group debt rose 3 % to € 2,821 million as of September 30, 2005 (December 31, 2004: € 2,735 million). In constant currency, debt was 1 % below previous year-end's figure.

The net debt/EBITDA ratio was 2.1 as of September 30, 2005 (December 31, 2004: 2.2).

Shareholders' equity including minority interest rose 17 % to € 3,932 million compared to € 3,347 million on December 31, 2004 (at constant currency: +6 %). The equity ratio including minority interest improved to 42.8 % due to strong increase in earnings and currency translation effects (December 31, 2004: 40.9 %).

Employee numbers continue to grow

As of September 30, 2005, the Group had 72,484 employees worldwide, an increase of 6 % (December 31, 2004: 68,494).

Fresenius Biotech

Fresenius Biotech develops innovative therapies with trifunctional antibodies for the treatment of cancer as well as cell therapies for the treatment of the immune system. In the field of polyclonal antibodies, Fresenius Biotech has successfully marketed ATG-Fresenius S for many years. ATG-Fresenius S is an immunosuppressive agent used to prevent and treat graft rejection following organ transplantation.

In the field of trifunctional antibody therapies, the current studies for ovarian cancer (Phase IIa), malignant ascites (Phase II/III) and malignant pleural effusion (Phase I) are continuing according to plan. Results of those studies will be presented for ovarian cancer in the first half of 2006 and for malignant ascites as well as malignant pleural effusion in the second half of 2006. Two phase II studies are in preparation to investigate the treatment of gastric cancer and breast cancer following positive results from two phase I studies for the treatment of peritoneal carcinomatosis and breast cancer. In addition, Fresenius Biotech acquired from its partner Trion the exclusive worldwide clinical development, registration, marketing and sales rights for the trifunctional antibody lymphomun. With this antibody Fresenius Biotech extends its range of indications from solid tumors to malignancies of the blood. The antibody is in preclinical development.

The Business Segments

Fresenius Medical Care

Fresenius Medical Care is the world's leading provider of products and services for patients with chronic kidney failure. As of September 30, 2005, Fresenius Medical Care was serving approximately 130,400 patients (+6 %) in 1,670 dialysis clinics (+5 %). The company delivered about 14.7 million treatments in the first nine months of 2005 (+5 %).

in million US\$	Q1-3/2005	Q1-3/2004	Change
Sales	4,999	4,588	9%
EBITDA	878	796	10%
EBIT	695	625	11%
Net income	339	294	16%
Employees	49,756 (Sep 30, 2005)	46,949 (Dec 31, 2004)	6%

- Strong sales and earnings growth continued
- Excellent performance in North America and Europe
- 2005 outlook confirmed

In the first nine months of 2005, Fresenius Medical Care achieved sales growth of 9 % to US\$ 4,999 million (Q1-3 2004: US\$ 4,588 million). In constant currency, sales rose 8 %. Organic growth was 7 %.

In North America Fresenius Medical Care achieved a strong sales increase of 7 % to US\$ 3,383 million (Q1-3 2004: US\$ 3,149 million). Sales outside North America ("International") showed an even stronger growth of 12 % to US\$ 1,616 million (Q1-3 2004: US\$ 1,439 million). Sales in dialysis care increased 8 % to US\$ 3,610 million (Q1-3 2004: US\$ 3,334 million). In dialysis products, Fresenius Medical Care achieved sales growth of 11 % to US\$ 1,389 million (Q1-3 2004: US\$ 1,254 million).

EBIT rose 11 % to US\$ 695 million (Q1-3 2004: US\$ 625 million) and the EBIT margin was 13.9 % (Q1-3 2004: 13.6 %). EBIT includes one-time costs of US\$ 8 million related to the transformation of Fresenius Medical Care's legal form into a KGaA. As previously announced, the company expects one-time costs for the full year 2005 to be approximately US\$ 10 million for the transformation. Net income grew by 16 % to US\$ 339 million in the first nine months of 2005.

For the year 2005, the Fresenius Medical Care reconfirms its outlook. This guidance does not take into effect the impact of the Renal Care Group acquisition or the one-time costs for the full year 2005 in connection with the transformation of the company's legal form, nor the conversion of the preference shares into ordinary shares.

For further information, please see Fresenius Medical Care's Investor News at www.fmc-ag.com.

Fresenius Kabi

Fresenius Kabi offers infusion therapies and clinical nutrition for seriously and chronically ill patients in the hospital and out-patient environments. The company is also a leading provider of transfusion technology products.

in million €	Q1-3/2005	Q1-3/2004	Change
Sales	1,239	1,105	12%
EBITDA	234	190	23%
EBIT	170	129	32%
Net income	81	57	42%
Employees	12,773 (Sep 30, 2005)	11,577 (Dec 31, 2004)	10%

- New record EBIT margin of 14.3 % in the third quarter of 2005
- Excellent organic growth of 7 % in the first nine months of 2005
- 2005 outlook confirmed

In the first nine months of 2005, Fresenius Kabi's sales rose 12 % to € 1,239 million (Q1-3 2004: € 1,105 million). The company achieved an excellent organic growth of 7 %. Acquisitions, primarily the generic I.V. drug company Labesfal, contributed 5 % to sales. Currency translation added 1 % to sales growth. Divestments had a -1 % effect on sales.

Sales in Germany rose 2 %. Sales in Europe (excluding Germany) increased 14 %. Acquisitions contributed significantly to this growth. Fresenius Kabi continued to grow at double-digit rates outside of Europe: In Asia-Pacific Fresenius Kabi achieved strong growth of 15 %, in Latin America of 20 % and in Africa of 18 %.

EBIT of Fresenius Kabi significantly increased by 32 % in the first nine months to € 170 million (Q1-3 2004: € 129 million). The EBIT margin was 13.7 % (Q1-3 2004: 11.7 %). In Q3 2005, the EBIT margin improved by 50 basis points to 14.3 % compared to Q2 2005.

Fresenius Kabi confirms its full-year 2005 outlook.

Fresenius ProServe

Fresenius ProServe offers services for the international health care sector including hospital management and hospital planning and construction as well as planning and construction of pharmaceutical and medical-technical production sites.

in million €	Q1-3/2005	Q1-3/2004	Change
Sales	551	581	-5%
EBITDA	29	23	26%
EBIT	11	3	--
Net income	-4	-11	64%
Employees	9,354 (Sep 30, 2005)	9,398 (Dec 31, 2004)	0%

- Order intake increased by 20 % in the first nine months of 2005
- Strong 4th quarter in project business expected
- 2005 outlook confirmed

In the first nine months of 2005, Fresenius ProServe achieved sales of € 551 million (Q1-3 2004: € 581 million). On a comparable basis (excluding the nursing home business sold in 2004 and the discontinued international hospital management business), sales were at previous year's level. Sales growth of 2 % to € 260 million was achieved in the hospital management business (Wittgensteiner Kliniken). In the hospital engineering and services business (VAMED) sales rose by 1 % to € 236 million. In the pharmaceutical engineering and services business (Pharmaplan) the order intake improved and Pharmaplan's sales increased in the third quarter 2005.

EBIT was € 11 million in the first nine months of 2005 (Q1-3 2004: € 3 million; before one-time expenses: € 11 million) and in line with the company's expectations.

Order intake and order backlog developed very positively: Order intake in the first nine months of 2005 increased 20 % to € 239 million (Q1-3 2004: € 199 million). Order backlog as of September 30, 2005 rose 19 % to € 399 million (December 31, 2004: € 335 million). Fresenius ProServe expects a strong fourth quarter 2005 in its project business.

Fresenius ProServe confirms its full-year outlook for 2005.

Live video webcast

As part of the earnings announcement for the first nine months of 2005, an analyst conference will be held at the Fresenius headquarters in Bad Homburg on November 3, 2005 at 1:30 p.m. CET (7.30 a.m. EST). All investors are cordially invited to follow the conference in a live broadcast over the Internet at www.fresenius-ag.com / Investor Relations / Presentations. Following the meeting, a recording of the conference will be available as video-on-demand.

Quarterly report

The full nine-months and third-quarter report will be available on the Internet in due course at www.fresenius-ag.com / Investor Relations / Publications.

This release contains forward-looking statements that are subject to certain risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to various factors, e.g., changes in the business, economic and competitive environment, 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 in this release.

Fresenius Group in Figures

Consolidated statement of income (unaudited)

in million €	Q 1-3/2005	Q 1-3/2004
Sales	5,712	5,399
Cost of goods sold	-3,765	-3,638
Gross profit	1,947	1,761
Selling, general and administrative expenses	-1,140	-1,038
Research and development expenses	-104	-95
Operating income (EBIT)	703	628
Net interest	-146	-156
Earnings before income taxes and minority interest	557	472
Income taxes	-219	-190
Minority interest	-177	-157
Net income	161	125
Basic earnings per ordinary share (in €)	3.92	3.04
Fully diluted earnings per ordinary share (in €)	3.89	3.03
Basic earnings per preference share (in €)	3.94	3.06
Fully diluted earnings per preference share (in €)	3.91	3.05

Average number of shares		
Ordinary shares	20,516,309	20,484,842
Preference shares	20,516,309	20,484,842
EBIT (in million €)	703	628
Depreciation and amortization (in million €)	234	229
EBITDA (in million €)	937	857
EBIT margin	12.3%	11.6%
EBITDA margin	16.4%	15.9%

Key figures of the balance sheet (unaudited)

in million €	Sep 30, 2005	Dec 31, 2004	Change
Assets			
Current assets	3,163	2,755	15%
thereof trade accounts receivable	1,704	1,528	12%
thereof inventories	719	619	16%
thereof cash and cash equivalents	168	140	20%
Non-current assets	6,033	5,433	11%
thereof property, plant and equipment	1,784	1,696	5%
thereof goodwill and other intangible assets	3,913	3,385	16%
Total assets	9,196	8,188	12%
Liabilities and shareholders' equity			
Liabilities	5,264	4,841	9%
thereof trade accounts payable	273	273	0%
thereof accruals and other short-term liabilities	1,713	1,427	20%
thereof debt	2,821	2,735	3%
Minority interest	2,071	1,744	19%
Shareholders' equity	1,861	1,603	16%
Total liabilities and shareholders' equity	9,196	8,188	12%

Cash flow statement (unaudited)

in million €	Q 1-3/2005	Q 1-3/2004	Change
Net income before minority interest	338	282	20%
Depreciation and amortization	234	229	2%
Change in accruals for pensions	5	11	-55%
Cash flow	577	522	11%
Change in working capital	15	58	-74%
Operating cash flow	592	580	2%
Capital expenditure, net	-180	-157	-15%
Free cash flow before acquisitions and dividends	412	423	-3%
Cash used for acquisitions, net	-213	-72	--
Dividends paid	-132	-119	-11%
Free cash flow after acquisitions and dividends	67	232	-71%
Cash provided by/used for financing activities	-49	-198	--
Effect of exchange rates on change in cash and cash equivalents	10	2	--
Net increase in cash and cash equivalents	28	36	-22%

Segment reporting by business segment 1st – 3rd quarter

in million €	Fresenius Medical Care			Fresenius Kabi			Fresenius ProServe			Corporate/Other			Group		
	Q1-3/2005	Q1-3/2004	Change	Q1-3/2005	Q1-3/2004	Change	Q1-3/2005	Q1-3/2004	Change	Q1-3/2005	Q1-3/2004	Change	Q1-3/2005	Q1-3/2004	Change
Sales	3,959	3,744	6%	1,239	1,105	12%	551	581	-5%	-37	-31	-19%	5,712	5,399	6%
thereof contribution to consolidated sales	3,940	3,722	6%	1,217	1,085	12%	544	580	-6%	11	12	-8%	5,712	5,399	6%
thereof intercompany sales	19	22	-14%	22	20	10%	7	1	--	-48	-43	-12%	0	0	
contribution to consolidated sales	69%	69%		21%	20%		10%	11%		0%	0%		100%	100%	
EBITDA	695	650	7%	234	190	23%	29	23	26%	-21	-6	--	937	857	9%
Depreciation and amortization	145	140	4%	64	61	5%	18	20	-10%	7	8	-13%	234	229	2%
EBIT	550	510	8%	170	129	32%	11	3	--	-28	-14	-100%	703	628	12%
Net interest	-100	-112	11%	-38	-35	-9%	-7	-9	22%	-1	0	--	-146	-156	6%
Net income	269	240	12%	81	57	42%	-4	-11	64%	-185	-161	-15%	161	125	29%
Operating cash flow	372	457	-19%	185	118	57%	35	34	3%	0	-29	100%	592	580	2%
Free cash flow before acquisitions and dividends	244	340	-28%	151	96	57%	28	18	56%	-11	-31	65%	412	423	-3%
Debt*	1,879	1,820	3%	863	709	22%	188	222	-15%	-109	-16	--	2,821	2,735	3%
Total assets*	6,618	5,845	13%	1,787	1,518	18%	742	742	0%	49	83	-41%	9,196	8,188	12%
Capital expenditure	139	128	9%	39	27	44%	8	17	-53%	10	2	--	196	174	13%
Acquisitions	73	66	11%	189	9	--	1	4	-75%	1	0	--	264	79	--
Research and development expenses	32	31	3%	44	42	5%	-	1	-100%	28	21	33%	104	95	9%
Employees (per capita on balance sheet date)*	49,756	46,949	6%	12,773	11,577	10%	9,354	9,398	0%	601	570	5%	72,484	68,494	6%
Key figures															
EBITDA margin	17.6%	17.4%		18.9%	17.2%		5.3%	4.0%					16.4%	15.9%	
EBIT margin	13.9%	13.6%		13.7%	11.7%		2.0%	0.5%					12.3%	11.6%	
ROOA*	12.6%	11.8%		14.8%	13.4%		2.6%	1.5%					11.6%	11.1%	
Depreciation and amortization as % of sales	3.7%	3.7%		5.2%	5.5%		3.3%	3.4%					4.1%	4.2%	

* 2004: December 31