

## Investor News

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### **Q1 2008: Successful start into 2008**

- Sales € 2.8 billion,  
+1 % at actual rates, +8 % in constant currency
- EBIT € 377 million,  
-1 % at actual rates, +7 % in constant currency
- Net income € 100 million,  
+8 % at actual rates, +13 % in constant currency
- Excellent growth in constant currency
- Currency impact based on translational effects
- Significant progress in generic I.V. drug strategy
- All business segments fully on track – Guidance for 2008 confirmed

### **Outlook for 2008 confirmed**

Based on the Group's strong first quarter financial results Fresenius fully confirms its positive outlook for 2008: Group sales are expected to grow by 8 to 10 % in constant currency. Net income is expected to increase by 10 to 15 % in constant currency. All business segments are expected to contribute to this growth.

## Sales growth of 8 % in constant currency

Group sales increased by 8 % in constant currency and by 1 % at actual rates to € 2,798 million (Q1 2007: € 2,767 million). Organic sales growth was 5 %. Acquisitions contributed a further 4 %. Divestitures reduced sales growth by 1 %. Currency translation had a negative impact of 7 %. This is mainly attributable to the average US dollar/Euro rate depreciating 14 % from Q1 2007.

Sales growth in the business segments was as follows:

in million €	Q1/2008	Q1/2007	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/Divestitures	% of total sales
Fresenius Medical Care	<b>1,676</b>	1,771	-5 %	-9 %	4 %	5 %	-1 %	60 %
Fresenius Kabi	<b>545</b>	483	13 %	-2 %	15 %	8 %	7 %	19 %
Fresenius Helios	<b>509</b>	439	16 %	0 %	16 %	4 %	12 %	18 %
Fresenius Vamed	<b>74</b>	73	1 %	0 %	1 %	0 %	1 %	3 %

In Europe sales grew by 13 % in constant currency with organic sales growth contributing 6 %. In North America sales grew by 1 % in constant currency. Organic growth was 2 %. Strong growth rates were achieved in the emerging markets with organic growth of 11 % in Asia-Pacific and 16 % in Latin America.

in million €	Q1/2008	Q1/2007	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/Divestitures	% of total sales
Europe	<b>1,292</b>	1,150	12 %	-1 %	13 %	6 %	7 %	46 %
North America	<b>1,127</b>	1,267	-11 %	-12 %	1 %	2 %	-1 %	40 %
Asia-Pacific	<b>200</b>	186	8 %	-6 %	14 %	11 %	3 %	7 %
Latin America	<b>129</b>	108	19 %	-4 %	23 %	16 %	7 %	5 %
Africa	<b>50</b>	56	-11 %	-6 %	-5 %	-10 %	5 %	2 %
<b>Total</b>	<b>2,798</b>	2,767	1 %	-7 %	8 %	5 %	3 %	100 %

## Excellent net income growth

Group EBITDA increased by 8 % in constant currency and by 1 % at actual rates to € 483 million (Q1 2007: € 479 million). Group operating income (EBIT) grew by 7 % in constant currency and decreased by 1 % at actual rates to € 377 million (Q1 2007: € 380 million). The Group's EBIT margin was 13.5 % (Q1 2007: 13.7 %).

Group net interest decreased to € -84 million (Q1 2007: € -95 million). This is mainly attributable to lower average interest rates at Fresenius Medical Care and currency translation effects.

The Group tax rate was 35.2 % (Q1 2007: 36.1 %).

Minority interest increased slightly to € 90 million (Q1 2007: € 89 million), of which 92 % was attributable to the minority interest in Fresenius Medical Care.

Group net income grew by 13 % in constant currency and by 8 % at actual rates to € 100 million (Q1 2007: € 93 million). Earnings per ordinary share and per preference share were € 0.64 (Q1 2007: ordinary share € 0.60, preference share € 0.60). This represents an increase of 7 % for both share classes.

### **Substantial investments in growth**

Fresenius Group spent € 155 million for property, plant and equipment and intangible assets (Q1 2007: € 140 million). Acquisition spending was € 215 million (Q1 2007: € 155 million).

### **Sustainable cash flow development**

Operating cash flow was € 278 million (Q1 2007: € 287 million). The cash flow margin was 9.9 % (Q1 2007: 10.4 %). Given increased net capital expenditure of € 162 million (Q1 2007: € 132 million), cash flow before acquisitions and dividends was € 116 million (Q1 2007: € 155 million). Free cash flow after net acquisitions (€ 158 million) and dividends (€ 5 million) was € -47 million (Q1 2007: € 88 million).

### **Solid balance sheet**

Fresenius Group's total assets increased by 3 % in constant currency and decreased by 1 % at actual rates to € 15,149 million (December 31, 2007: € 15,324 million). Current assets increased by 4 % in constant currency and by 1 % at actual rates to € 4,319 million (December 31, 2007: € 4,291 million). Non-current assets were € 10,830 million (December 31, 2007: € 11,033 million).

Shareholders' equity including minority interest increased by 3 % in constant currency and decreased by 1 % at actual rates to € 5,988 million (December 31, 2007: € 6,059 million). The equity ratio (including minority interest) was 39.5 % (December 31, 2007: 39.5 %).

Group debt decreased by 2 % at actual rates to € 5,598 million (December 31, 2007: € 5,699 million). In constant currency, Group debt increased by 2 %. As of March 31, 2008, the net debt/EBITDA ratio was 2.6 (December 31, 2007: 2.6).

## **Number of employees increased**

As of March 31, 2008, Fresenius increased the number of its employees by 2 % to 116,203 (December 31, 2007: 114,181). The growth was mainly attributable to Fresenius Kabi und Fresenius Medical Care.

## **Fresenius Biotech**

Fresenius Biotech develops innovative therapies with trifunctional antibodies for the treatment of cancer. 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.

Studies with the antibodies Removab<sup>®</sup> and Rexomun<sup>®</sup> in various indications are ongoing in Europe and the US.

Fresenius Biotech's EBIT was € -9 million (Q1 2007: € -11 million). For 2008, Fresenius Biotech expects an EBIT of approximately € -50 million.

## The Business Segments

### Fresenius Medical Care

Fresenius Medical Care is the world's leading provider of services and products for patients with chronic kidney failure. As of March 31, 2008, Fresenius Medical Care was treating 177,059 patients in 2,297 dialysis clinics.

in million US\$	Q1/2008	Q1/2007	Change
Sales	2,512	2,321	8 %
EBITDA	485	450	8 %
EBIT	389	365	7 %
Net Income	186	160	16 %
Employees	65,742	64,662 (Dec. 31, 2007)	2 %

- **Strong start into the year – in line with expectations**
- **Outlook 2008 fully confirmed**

Fresenius Medical Care achieved sales growth of 8 % to US\$ 2,512 million (Q1 2007: US\$ 2,321 million). Organic growth was 5 %. Currency translation effects had a positive impact of 4 %. Sales in dialysis care increased by 5 % to US\$ 1,844 million (Q1 2007: US\$ 1,760 million). In dialysis products, sales grew by 19 % to US\$ 667 million (Q1 2007: US\$ 560 million).

In North America sales increased by 2 % to US\$ 1,668 million (Q1 2007: US\$ 1,637 million). Dialysis services revenue increased by 1 % (3 % adjusted for the divestiture of the perfusion business in spring 2007) to US\$ 1,495 million. Average revenue per treatment in the US was US\$ 326 in the first quarter (Q4 2007: US\$ 325), based on an increase in underlying reimbursement rates and an increase in EPO utilization. Sales outside North America ("International" segment) grew by 23 % (10 % in constant currency) to US\$ 844 million (Q1 2007: US\$ 684 million). Strong sales growth in constant currency was achieved in Europe (+11 %) and Latin America (+14 %).

EBIT rose by 7 % to US\$ 389 million (Q1 2007: US\$ 365 million) resulting in an EBIT margin of 15.5 % (Q1 2007: 15.7 %). This reflects the increased expenditures for corporate research and development activities and the expansion in the International dialysis services business. The EBIT margin in North America increased by 60 basis points to 16.4 %, supported by improved underlying reimbursement rates, dialysis services cost containment and a continued strong performance of renal products and PhosLo. In the International segment, the EBIT margin decreased by 60 basis points to 17.0 % mainly due to the growth in the dialysis care business through an increased number of De Novo clinics and associated start-up costs.

Net income increased by 16 % to US\$ 186 million (Q1 2007: US\$ 160 million).

For 2008, Fresenius Medical Care fully confirms its outlook and expects to achieve revenue of more than US\$ 10.4 billion, an increase of more than 7 %. Net income is expected to be between US\$ 805 million and US\$ 825 million, an increase of 12 % to 15 %.

For further information, please see Fresenius Medical Care's Investor News at [www.fmc-ag.com](http://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 €	Q1/2008	Q1/2007	Change
Sales	545	483	13 %
EBITDA	108	96	13 %
EBIT	87	77	13 %
Net Income	46	42	10 %
Employees	17,816	16,964 (Dec. 31, 2007)	5 %

- **Excellent sales growth of 15 % in constant currency**
- **Outlook 2008 fully confirmed**

Fresenius Kabi increased sales by 15 % in constant currency and by 13 % at actual rates to € 545 million (Q1 2007: € 483 million). Organic growth was excellent at 8 %. Net acquisitions contributed a further 7 % to sales. Currency translation effects had a negative impact of 2 %. This was mainly due to the depreciation of currencies in Great Britain, South Africa and China.

Organic sales growth in Europe (excluding Germany) was 6 %. In Germany organic sales growth was 1 %. In the Asia-Pacific region Fresenius Kabi again achieved significant organic sales growth of 28 %. Organic sales growth in Latin America was 10 % and in other regions 6 %.

EBIT grew by 13 % to € 87 million (Q1 2007: € 77 million). The EBIT margin was 16.0 % (Q1 2007: 15.9 %). Net income grew by 10 % to € 46 million (Q1 2007: € 42 million).

Fresenius Kabi fully confirms the outlook for 2008: The company targets sales growth in constant currency of 12 to 15 %. Organic growth is expected to contribute around 7 % to this target. Further, Fresenius Kabi forecasts an EBIT margin of around 16.5 %.

On April 20, 2008, Fresenius Kabi announced the acquisition of 73.3 % of the share capital of the Indian company Dabur Pharma Ltd. Dabur is a leading supplier of oncology generics. With this acquisition, Fresenius Kabi strengthens its position in I.V. drugs. Dabur achieved sales of more than € 41 million with generic oncology drugs and APIs in fiscal year 2006/2007 (April 1, 2006 to March 31, 2007).

## Fresenius Helios

Fresenius Helios is one of the largest private hospital operators in Germany. The HELIOS Kliniken Group owns 60 hospitals, including five maximum care hospitals in Berlin-Buch, Erfurt, Krefeld, Schwerin and Wuppertal. HELIOS treats about 500,000 inpatients per year at its clinics and has a total of approximately 17,400 beds.

in million €	Q1/2008	Q1/2007	Change
Sales	509	439	16 %
EBITDA	55	44	25 %
EBIT	38	32	19 %
Net Income	15	11	36 %
Employees	30,079	30,043 (Dec. 31, 2007)	0 %

- **Positive financial performance of established clinics; Krefeld and Hüls with expected negative earnings contribution**
- **Outlook 2008 fully confirmed**

Fresenius Helios increased sales by 16 % to € 509 million (Q1 2007: € 439 million). Acquisitions contributed 11 % to overall sales growth. Organic growth was 4 %.

EBIT grew strongly by 19 % to € 38 million (Q1 2007: € 32 million) due to the very good financial performance of the established clinics. The first-time consolidation of HELIOS Klinikum Krefeld and the HELIOS Klinik Hüls had the expected negative impact on earnings. Nevertheless, the EBIT margin increased to 7.5 % (Q1 2007: 7.3 %). Net income improved by 36 % to € 15 million (Q1 2007: € 11 million).

Sales at the established clinics rose by 4 % to € 461 million. EBIT improved by 31 % to € 42 million. The EBIT margin was 9.1 % (Q1 2007: 7.3 %). The acquired clinics (consolidation < 1 year) achieved sales of € 48 million and an EBIT of € -4 million.

Fresenius Helios fully confirms its outlook for 2008: The company expects to achieve sales of more than € 2,050 million. EBIT is projected to increase to € 160 to 170 million, including the negative contribution of the clinics in Krefeld and Hüls.



## Fresenius Vamed

Fresenius Vamed offers engineering and services for hospitals and other health care facilities.

in million €	Q1/2008	Q1/2007	Change
Sales	74	73	1 %
EBITDA	5	6	-17 %
EBIT	4	5	-20 %
Net Income	4	4	0 %
Employees	1,817	1,767 (Dec. 31, 2007)	3 %

- **Sales and earnings performance fully in line with expectations**
- **Outlook 2008 fully confirmed**

In the first quarter of 2008, Fresenius Vamed achieved sales growth of 1 % to € 74 million (Q1 2007: € 73 million). The project business generated sales of € 35 million (Q1 2007: € 37 million), sales in the service business were € 39 million (Q1 2007: € 36 million).

EBIT was € 4 million (Q1 2007: € 5 million). The EBIT margin was 5.4 % (Q1 2007: 6.8 %). Net income was € 4 million (Q1 2007: € 4 million).

Order intake in the project business grew strongly by 89 % to € 125 million (Q1 2007: € 66 million). This was driven by obtaining the order for the planning and construction of the Tauern Spa World in Kaprun/Austria of about € 80 million. Fresenius Vamed will be also responsible for the operational management of Tauern Spa World following the completion of the project. Order backlog as of March 31, 2008 reached a new all-time high of € 595 million, an increase of 17 % (December 31, 2007: € 510 million).

Fresenius Vamed fully confirms its outlook for 2008 and expects to grow both sales and EBIT by 5 to 10 %.

## **Analyst Conference Call and Audio Webcast**

As part of the publication of the results for the first quarter of 2008, a conference call will be held on April 30, 2008 at 2.00 p.m. CEDT (8.00 a.m. EDT). All investors are cordially invited to follow the conference call in a live broadcast over the Internet at [www.fresenius.com](http://www.fresenius.com) / Investor Relations / Presentations. Following the call, a recording will be available.

## **Quarterly financial report**

The report for the first quarter 2008 will be published on May 8, 2008 (US GAAP) and May 15, 2008 (IFRS) on our website [www.fresenius.com](http://www.fresenius.com) / Investor Relations / Financial Reports.

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Fresenius is a health care group with international operations, providing products and services for dialysis, hospital and outpatient medical care. In 2007, group sales were approx. € 11.4 billion. On March 31, 2008 the Fresenius Group had 116,203 employees worldwide.

For more information visit the Company's website at [www.fresenius.com](http://www.fresenius.com).

This release 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 in this release.

Board of Management: Dr. Ulf M. Schneider (President and CEO), Rainer Baule, Dr. Francesco De Meo, Dr. Jürgen Götz, Dr. Ben Lipps, Stephan Sturm, Dr. Ernst Wastler  
Supervisory Board: Dr. Gerd Krick (Chairman)  
Registered Office: Bad Homburg, Germany/Commercial Register No. HRB 10660

## Fresenius Group Figures

### Consolidated statement of income (US GAAP) (unaudited)

in million €	Q1/2008	Q1/2007
Sales	2,798	2,767
Cost of goods sold	-1,906	-1,879
<b>Gross Profit</b>	<b>892</b>	<b>888</b>
Selling, general and administrative expenses	-469	-467
Research and development expenses	-46	-41
<b>Operating income (EBIT)</b>	<b>377</b>	<b>380</b>
Net interest	-84	-95
<b>Earnings before income taxes and minority interest</b>	<b>293</b>	<b>285</b>
Income taxes	-103	-103
Minority interest	-90	-89
<b>Net income</b>	<b>100</b>	<b>93</b>
<b>Basic earnings per ordinary share (in €)</b>	<b>0.64</b>	<b>0.60</b>
<b>Fully diluted earnings per ordinary share (in €)</b>	<b>0.64</b>	<b>0.59</b>
<b>Basic earnings per preference share (in €)</b>	<b>0.64</b>	<b>0.60</b>
<b>Fully diluted earnings per preference share (in €)</b>	<b>0.64</b>	<b>0.59</b>
<b>Average number of shares</b>		
Ordinary shares	77,598,599	77,226,469
Preference shares	77,598,599	77,226,469
<b>EBITDA in million €</b>	<b>483</b>	<b>479</b>
Depreciation and amortization (in million €)	106	99
<b>EBIT in million €</b>	<b>377</b>	<b>380</b>
<b>EBITDA margin</b>	<b>17.3 %</b>	<b>17.3 %</b>
<b>EBIT margin</b>	<b>13.5 %</b>	<b>13.7 %</b>

## Key figures of the balance sheet (US GAAP) (unaudited)

in million €	March 31, 2008	December 31, 2007	Change
<b>Assets</b>			
<b>Current assets</b>	<b>4,319</b>	<b>4,291</b>	<b>1 %</b>
thereof trade accounts receivable	2,151	2,159	0 %
thereof inventories	911	875	4 %
thereof cash and cash equivalents	382	361	6 %
<b>Non-current assets</b>	<b>10,830</b>	<b>11,033</b>	<b>-2 %</b>
thereof property, plant and equipment	2,995	2,971	1 %
thereof goodwill and other intangible assets	7,422	7,640	-3 %
<b>Total assets</b>	<b>15,149</b>	<b>15,324</b>	<b>-1 %</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>	<b>9,161</b>	<b>9,265</b>	<b>-1 %</b>
thereof trade accounts payable	439	485	-9 %
thereof accruals and other short-term liabilities	2,553	2,516	1 %
thereof debt	5,598	5,699	-2 %
<b>Minority interest</b>	<b>2,579</b>	<b>2,644</b>	<b>-2 %</b>
<b>Shareholders' equity</b>	<b>3,409</b>	<b>3,415</b>	<b>0 %</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,149</b>	<b>15,324</b>	<b>-1 %</b>

## Cash flow statement (US GAAP) (unaudited)

in million €	Q1/2008	Q1/2007	Change
Net income before minority interest	<b>190</b>	182	4 %
Depreciation and amortization	106	99	7 %
Change in accruals for pensions	4	3	33 %
<b>Cash flow</b>	<b>300</b>	<b>284</b>	<b>6 %</b>
Change in working capital	-22	3	--
<b>Operating cash flow</b>	<b>278</b>	<b>287</b>	<b>-3 %</b>
Capital expenditure, net	-162	-132	-23 %
<b>Cash flow before acquisitions and dividends</b>	<b>116</b>	<b>155</b>	<b>-25 %</b>
Cash used for acquisitions, net	-158	-63	--
Dividends paid	-5	-4	-25 %
<b>Free cash flow after acquisitions and dividends</b>	<b>-47</b>	<b>88</b>	<b>--</b>
Cash provided by/used for financing activities	78	-47	--
Effect of exchange rates on change in cash and cash equivalents	-10	-2	--
<b>Net increase in cash and cash equivalents</b>	<b>21</b>	<b>39</b>	<b>-46 %</b>

## Segment reporting by business segment Q1 2008 (US GAAP) (unaudited)

in million €	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate / Other			Fresenius Group		
	Q1/2008	Q1/2007	Change	Q1/2008	Q1/2007	Change	Q1/2008	Q1/2007 <sup>1)</sup>	Change	Q1/2008	Q1/2007 <sup>1)</sup>	Change	Q1/2008	Q1/2007 <sup>1)</sup>	Change	Q1/2008	Q1/2007	Change
<b>Sales</b>	1,676	1,771	-5%	545	483	13%	509	439	16%	74	73	1%	-6	1	--	2,798	2,767	1%
thereof contribution to consolidated sales	1,675	1,771	-5%	536	472	14%	509	439	16%	74	73	1%	4	12	-67%	2,798	2,767	1%
thereof intercompany sales	1	0	--	9	11	-18%	0	0	0%	0	0	0%	-10	-11	9%	0	0	
contribution to consolidated sales	60%	64%		19%	17%		18%	16%		3%	3%		0%	0%		100%	100%	
<b>EBITDA</b>	324	343	-6%	108	96	13%	55	44	25%	5	6	-17%	-9	-10	10%	483	479	1%
<b>Depreciation and amortization</b>	65	65	0%	21	19	11%	17	12	42%	1	1	0%	2	2	0%	106	99	7%
<b>EBIT</b>	259	278	-7%	87	77	13%	38	32	19%	4	5	-20%	-11	-12	8%	377	380	-1%
<b>Net interest</b>	-55	-72	24%	-17	-12	-42%	-15	-12	-25%	1	1	0%	2	0	--	-84	-95	12%
<b>Net income</b>	124	122	2%	46	42	10%	15	11	36%	4	4	0%	-89	-86	-3%	100	93	8%
<b>Operating cash flow</b>	128	216	-41%	42	19	121%	42	39	8%	80	25	--	-14	-12	-17%	278	287	-3%
<b>Cash flow before acquis. and dividends</b>	25	133	-81%	14	-11	--	15	21	-29%	79	24	--	-17	-12	-42%	116	155	-25%
<b>Total assets<sup>2)</sup></b>	9,229	9,626	-4%	2,444	2,310	6%	3,001	3,072	-2%	464	390	19%	11	-74	115%	15,149	15,324	-1%
<b>Debt<sup>2)</sup></b>	3,598	3,833	-6%	1,242	1,121	11%	1,060	1,136	-7%	1	0	--	-303	-391	23%	5,598	5,699	-2%
<b>Capital expenditure</b>	107	89	20%	16	20	-20%	29	29	0%	1	1	0%	2	1	100%	155	140	11%
<b>Acquisitions</b>	49	71	-31%	126	0	--	0	75	-100%	10	5	100%	30	4	--	215	155	39%
<b>Research and development expenses</b>	13	10	30%	22	19	16%	0	0	0%	0	0	0%	11	12	-8%	46	41	12%
<b>Employees (per capita on bal. sheet date)<sup>2)</sup></b>	65,742	64,662	2%	17,816	16,964	5%	30,079	30,043	0%	1,817	1,767	3%	749	745	1%	116,203	114,181	2%
<b>Key figures</b>																		
EBITDA margin	19.3%	19.4%		19.8%	19.9%		10.8%	10.0%		6.8%	8.2%					17.3%	17.3%	
EBIT margin	15.5%	15.7%		16.0%	15.9%		7.5%	7.3%		5.4%	6.8%					13.5%	13.7%	
Deprec. and amortization in % of sales	3.8%	3.7%		3.9%	3.9%		3.3%	2.7%		1.4%	1.4%					3.8%	3.6%	
Operating cash flow in % of sales	7.6%	12.2%		7.7%	3.9%		8.3%	8.9%		108.1%	34.2%					9.9%	10.4%	
ROOA <sup>2)</sup>	12.3%	12.5%		16.4%	17.7%		5.4%	5.6%		13.4%	22.8%					10.7%	11.4%	

<sup>1)</sup> Previous-year figures adjusted by new Group structure as of January 1, 2008.

<sup>2)</sup> 2007: as of December 31