

March 2, 2005
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Fresenius Investor News

Fresenius Kabi strengthens position in China – increases stake in joint venture from 65 % to 100 %

Fresenius Kabi, a subsidiary of Fresenius AG, will further expand its position in China by increasing its 65 % stake in the Beijing Fresenius Kabi Pharmaceutical Co., Ltd. (BFP) joint venture to 100 %. Fresenius Kabi will acquire a 35 % stake currently owned by pharmaceutical company Beijing Double Crane Pharmaceutical Co., Ltd.

BFP has about 330 employees and achieved revenue of € 37.4 million in 2004. The company, which was founded in 1994, produces infusion solutions as well as intravenously administered drugs and is one of the most successful Fresenius Kabi subsidiaries in the Asia-Pacific region. Two BFP products – blood-volume substitute HAES-steril and Propofol Fresenius – count among the top seven market launches in China by foreign companies in recent years.

In addition to BFP, Fresenius Kabi has been active in China with a second joint venture, the Sino Swed Pharmaceutical Co. Ltd. (SSPC), since 1999. SSPC had 2004 revenue of about € 56 million and employs about 840 people. The company produces infusion solutions for clinical nutrition. Fresenius Kabi is the market leader in this segment in China with a 24 % market share. The SSPC plant in Wuxi in Southeast China has some of the highest quality standards for pharmaceutical production in the country.

Fresenius Kabi will also establish a holding company which will improve the coordination of the existing operations in China. This will strengthen Fresenius Kabi's Chinese activities and allow it to better react to the opportunities presented by a dynamically developing Chinese health care market. The new structure still requires the approval of Chinese authorities.

Fresenius Kabi has achieved double-digit growth in the Chinese market for several years and is the fifth-largest international pharmaceutical company in the country. In 2004, revenue in China grew to € 97 million with organic growth of 25 %.

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.