



Annual General Meeting of Fresenius SE on May 21, 2008

Speech of Dr. Ulf M. Schneider, Chairman of the Management Board

The spoken word has precedence.

Chart: Welcome

Good morning, ladies and gentlemen. On behalf of the Management Board I would like to welcome you to the Annual General Meeting of Fresenius SE. We are very pleased that so many of you could attend and appreciate your interest in our company. I would also like to welcome the members of the press, our guests and everyone who has joined us on the Internet.

Chart: Agenda

I would like to begin by highlighting the Fresenius Group's financial results in 2007. I will then move on to the development of the Fresenius share price, before reviewing our financial results for the first quarter of the current year. Finally, I will close with an outlook for the full year 2008.

Chart: Profitable growth in attractive segments of the health care market

Before I go on to discuss our 2007 results in more detail, I would first like to present the Group's new corporate structure to you on this chart. This new structure has been in place effective January 1, 2008. On the left you see Fresenius Medical Care, the global leader in dialysis. Next to it is Fresenius Kabi, the European market leader for infusion therapy and clinical nutrition. There have been no changes in either of these two business segments. On the right of the chart you see Fresenius Helios and Fresenius Vamed which had been grouped together under the holding company Fresenius ProServe. By creating these two separate business segments we have been able to reduce the number of management layers and increase the transparency of our financial reporting. Being a diversified healthcare group we feel it is particularly important to inform you in as much detail as possible across the whole spectrum of our activities.

2007 was a successful year for the Fresenius Group. We achieved record financial results and advanced our growth initiatives in all business segments. International expansion was a special focus, particularly in Asia, where we see enormous growth potential in the future. With the acquisition of Renal Solutions in the USA Fresenius Medical Care invested in new technologies. This will enable us to improve our position in home dialysis and intensify our efforts to develop wearable kidney concepts. Moreover, the business in renal pharmaceuticals was expanded. At Fresenius Kabi we strengthened our market position with acquisitions in the field of clinical nutrition and intravenously administered generic drugs. We expanded our regional presence in Chile with the acquisition of the local market leader in infusion solutions. Fresenius Helios acquired several hospitals in 2007, including the Krefeld and Hüls clinics. Krefeld is HELIOS' fifth maximum care hospital with over 1,000 beds. HELIOS managed to successfully master the 2007 market challenges – the increase in value added tax, budget cuts and the wage tariff increases. Fresenius Vamed's order intake and order backlog were at an all time high, providing an excellent base for future growth. By the end of December, Fresenius Biotech filed for marketing authorization for our first cancer drug in the indication of malignant ascites with the European Medicines Agency EMEA.

Chart: Fresenius Group: Strong financial results

Now to the 2007 financial results: Let me first draw your attention to the grey shaded area on this chart. We achieved a very positive sales increase of 10 % in constant currency and of 5 % at actual rates to € 11.4 billion. The US dollar weakness against the euro impacted our reported sales. I would like to point out that these are currency translation effects. We do not have the classic German export problem of producing in a strong currency and having to sell in a weak currency region. Sales generated for instance in North America are matched by local costs in the dollar area.

EBIT increased by 17 % in constant currency to € 1.6 billion. Net income grew even stronger by 28 % to € 410 million. At actual exchange rates the growth was 24 %. It is important that, without exception, all business segments grew their earnings at double-digit rates, and did so for the third year running. This provides a high degree of financial stability for the Group. As you can see on the left-hand side of the chart, 2007 fits into a very positive track record: the compound annual growth rate is 13 % for sales and 37 % for net income.

Chart: Fresenius SE: ~15 % dividend increase proposed

Dear shareholders, we are pleased to propose the 15th consecutive dividend increase. We propose to increase the dividend by about 15 % to 66 eurocents per ordinary share and 67 eurocents per preference share. This increase reflects the excellent financial results achieved in 2007 as well as our confidence in a further positive development of Fresenius. It is our intention to continue this earnings-linked dividend policy.

Fresenius has prepared its 2007 consolidated financial statements according to US GAAP on a voluntary basis in addition to the mandatory IFRS statements. The financial statements under these two standards are largely identical. You will find further information in the annual report, which also contains the disclosures required pursuant to section 289 and section 315, paragraphs 4 of the German Commercial Code.

At this point I would like to thank all the employees on behalf of the Management Board. Their contribution in 2007 was truly outstanding. Their enthusiasm and commitment to excellence will be key to achieve our future goals.

Chart: Fresenius share price development in 2007

Now to the Fresenius share price development. The excellent financial results and the positive outlook have not been adequately reflected in the share price. The uncertainty that took hold of the capital market in the second half of the year, triggered by the subprime crisis in the US property market and by rising oil prices, affected the Fresenius share price. In 2007, the Fresenius ordinary share increased 11 % and the preference share 5 %. The ordinary share outperformed the M-DAX, which closed the year up 5 %, while the preference share's performance matched that of the M-DAX. At the end of 2007 Fresenius had a market capitalization of approximately € 8.8 billion compared to € 8.1 billion at the end of 2006.

The Fresenius shares were also affected by the turbulence on the stock markets in the first months of this year. The ordinary share is currently up 9 % and the preference share is down 2 % from the level at the end of 2007. The M-DAX increased 2 %.

I am convinced that the Fresenius shares will continue to be an attractive investment in future. This is supported by a good financial outlook and the successful continuation of our growth initiatives. The vast majority of analysts continue to rate the Fresenius shares as a clear buy.

Chart: Fresenius Group: Successful start into 2008

I will now discuss the first quarter of 2008 before presenting the outlook for the full year. We had a successful start into the fiscal year 2008. In constant currency, Group sales increased 8 % to € 2.8 billion. At actual exchange rates, the growth was 1 %. This difference is mainly attributable to the average US dollar/euro rate depreciating 14 % from the first quarter of 2007. The development of net income was excellent, increasing by 13 % in constant currency to € 100 million.

Chart: Fresenius Medical Care: Financial results and outlook

All business segments are fully on track and well positioned to achieve their targets for 2008. Fresenius Medical Care had a very good start and fully met our expectations. Sales were up 8 % to US\$ 2.5 billion. Organic growth was 5 %. Net income for the first quarter increased 16 % to US\$ 186 million.

For 2008, the company has fully confirmed 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 and 825 million, an increase of 12 to 15 %.

Chart: Fresenius Kabi: Financial results and outlook

Fresenius Kabi achieved excellent results in the first quarter of 2008. Sales increased by 13 % to € 545 million. Organic growth was 8 %. EBIT grew by 13 % to € 87 million.

Fresenius Kabi has also fully confirmed its outlook for 2008. The company targets sales growth of 12 to 15 % in constant currency. Further, Fresenius Kabi forecasts an EBIT margin of around 16.5 %.

Chart: Fresenius Helios: Financial results and outlook

Now to Fresenius Helios. The company increased sales by 16 % to € 509 million. Acquisitions contributed 11 %, especially the Krefeld and Hüls hospitals. Organic growth was 4 %. EBIT was up 19 % to € 38 million due to the very strong financial performance of the established clinics. As expected, the first-time consolidation of the Krefeld and Hüls hospitals had a negative impact on earnings. However, Fresenius Helios still improved its EBIT margin by 20 basis points to 7.5 %.

Fresenius Helios fully confirms its outlook for 2008. The company expects to achieve sales of more than € 2 billion and 50 million. EBIT is projected to increase to € 160 to 170 million, up from € 155 million in 2007, including the negative contribution of the clinics in Krefeld and Hüls.

Chart: Fresenius Vamed: Financial results and outlook

Finally, Fresenius Vamed. VAMED increased sales by 1 % to € 74 million. EBIT was € 4 million, which is about € 1 million less than in the same quarter last year. However, the sales and earnings development at Fresenius Vamed is fully in line with our expectations. Our experience is that, due to the nature of the project business, financial results are much stronger in the second half than in the first quarters of the year.

Fresenius Vamed also fully confirms its outlook for 2008 and expects to grow both sales and

EBIT by 5 to 10%.

Chart: Fresenius Group: Positive outlook for 2008

Ladies and gentlemen, the expectations of our business segments add up to a very positive 2008 outlook for the Group. Sales are expected to grow by 8 to 10 % in constant currency. Still stronger growth is forecast for net income, which is expected to increase by 10 to 15 %. We are continuing to invest into growth. We plan to increase capex spending to a new record level of € 750 million.

Chart: Fresenius Group: Sustained profitable growth

Fresenius expects further profitable growth beyond the year 2008. As you know, we have set ourselves the goal "15/15 in 2010". This means that we are targeting Group sales of about € 15 billion and a Group EBIT margin of 15 % in 2010.

Finally, I would like to highlight some important features that are characteristic of our company and our business. They have special relevance in times of economic turbulence like the present:

- ▶ First: Our business segments address markets that are non-cyclical. This allows us to achieve sustainable growth. This growth is driven by the strong demand for high-quality healthcare. The combination of cyclical resilience and steady growth is a special quality of our company.
- ▶ Second: We achieve industry-leading organic growth in all business segments. Growth rates are different within the business segments according to the markets they serve. However, our aim is to achieve industry-leading organic growth since this is by far the most profitable form of growth.

- ▶ Third: Our international expansion strategy – especially in emerging markets and developing countries – is a key growth driver. This is true especially for Fresenius Medical Care and Fresenius Kabi. Fresenius Vamed is benefitting from the considerable catch-up potential in the construction and equipment of healthcare facilities in many countries.
- ▶ Fourth: Through our geographical diversification and our four business segments we have a diversified revenue and earnings base. This creates stability.
- ▶ Fifth: Fresenius has an excellent acquisition track record. Think for instance of the two major acquisitions – Renal Care Group and HELIOS. Acquisitions will support our organic growth. The consolidation process in our markets will continue, and we will be looking to take advantage of further interesting acquisition opportunities in future. Over the past years we have demonstrated our ability to acquire successfully and to do a proper integration job.
- ▶ Finally, a few words on prudent financial management as a corporate principle. This includes transparent financial reporting, reliable financial guidance, and compliance, which has gained particular importance in the German business world in recent months. I am convinced that we have a record of commercially and ethically meticulous conduct on all these counts. This will continue to be the case in future.

Ladies and gentlemen, let me conclude. Fresenius is a diversified company that holds leading positions in the fast-growing healthcare market. The opportunities available to us and our growth prospects are considerable. We are well-positioned to take advantage of these opportunities and to achieve our strategic goals. Our long-term corporate strategy will continue to be focussed on value creation.

Ladies and gentlemen, I would like to thank you for your trust in Fresenius and your continued support.

Thank you for your attention