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PRESS RELEASE

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Capital Market Day Fresenius Biotech

Fresenius concentrates biotechnology activities on antibody and innovative cell therapies

The Fresenius Health Care Group will expand its biotechnology activities within Fresenius Biotech GmbH, founded in 2003. Fresenius Biotech will concentrate on innovative antibody and cell therapies to fight life-threatening diseases for which no adequate treatment has been found. Dr. Ulf M. Schneider, Chairman of the Management Board of Fresenius AG, commented during the Capital Market Day at the Group's headquarters in Bad Homburg, Germany, where the company detailed the strategy and key projects of Fresenius Biotech.

Dr. Schneider: "Fresenius Biotech is a biotechnology company with a clearly defined strategy benefiting from the know-how and structure of the Fresenius Group. Years of experience in the antibody arena, an experienced management team, an efficient structure and competent partners are the key components to Fresenius Biotech's success."

Fresenius Biotech develops innovative antibody-therapies for the treatment of cancer and cell therapies for the treatment of end-stage HIV infection as well as for the treatment of the long-term rejection prevention of transplanted organs. Fresenius Biotech already offers ATG-Fresenius S, a biotechnological

immunosuppressive product that has established itself over many years for acute use in connection with organ transplant operations.
Fresenius Biotech focuses on the clinical development, production, regulatory approval and marketing of biopharmaceuticals. For fundamental research, Fresenius Biotech cooperates with young biotechnology firms, universities and research centers. When necessary, additional alliances and partnerships can win Fresenius Biotech added know-how and marketing assistance.

Fresenius presented the first successful results of a Phase I/II study using the trifunctional antibody removab® for the treatment of ascites in ovarian cancer in September, 2003. Further studies with this antibody are expected to begin this year. Market launch is seen in 2007.

The following is a short overview of Fresenius Biotech's important projects:

I. Antibodies

Trifunctional Antibodies, removab® and rexomun™

Removab® and rexomun™ belong to a new generation of antibodies. These antibodies are called trifunctional because they bind to cancer cells and also to two different cells of the immune system, T-cells and macrophages. Through the creation of this cell complex, the trifunctional antibodies initiate an especially efficient eradication of tumor cells. The goal is to eliminate those tumor cells that may still be present in the body – for example following surgical resection of a tumor – to prevent relapse or the development of metastases. Fresenius in September successfully completed a Phase I/II study of the treatment of ascites in ovarian cancer using the trifunctional antibody removab®. The antibody was shown to be well tolerated and demonstrated the first significant indications of efficacy.

The following additional studies with removab® and rexomun™ have already begun or are expected to begin in the near future:

- A phase II/III study investigating the use of removab® as a therapy against ascites in other malignancies (for example -- stomach cancer or

pancreatic cancer) should begin in the 3rd quarter of 2004 and be complete by the 2nd half of 2006. If the results of the study are positive, a launch of the antibody for these indications is planned at the end of 2007.

- Two phase I studies investigating the use of rexomun™ in breast cancer and removab® in peritoneal cancer have already begun.
- A phase I study using removab® in non-small-cell lung cancer has also already begun.
- A phase I/II study using removab® in the treatment of malignant pleural effusion and a phase IIa study using removab® in the treatment of ovarian cancer should begin shortly.

The trifunctional antibodies were developed by the Munich Biotech Company TRION Pharma, a partner of Fresenius Biotech.

Polyclonal Antibodies, ATG-Fresenius S

ATG-Fresenius S is an immunosuppressive therapy made of polyclonal antibodies that has been used successfully for years. Following organ and bone marrow transplants, the protein material suppresses rejection reactions. ATG-Fresenius S has proved itself very effective in various clinical studies and in daily use. Demand for ATG-Fresenius S has continually grown in past years. In 2004, Fresenius Biotech expects a sales increase to about € 16 million (2002: € 15 million). In June, Fresenius Biotech signed an agreement with the U.S. company Enzon Pharmaceuticals, giving Enzon exclusive marketing rights in North America and requiring it to perform the necessary studies for regulatory approval. Fresenius will supply ATG and receive milestone as well as licensing payments. The start of clinical studies in the U.S. is set for mid-2004, with the first sales in the U.S. market expected in 2007.

An ongoing phase III study in Europe, which will be complete in 2008, should also show the efficacy of ATG-Fresenius S in stem cell transplants. Fresenius Biotech expects regulatory approval for these indications, which would present additional growth opportunities for ATG-Fresenius S, in 2009.

II. Cell therapies

Genetically modified T-helper cells for the treatment of HIV

T-helper cells play a central role in the immune system. In an HIV infection, the virus attacks and kills T-helper cells, reducing their numbers in blood over the years. This results in a weakened immune system, eventually leading to an outbreak of AIDS. The goal of Fresenius Biotech is to develop a gene therapy together with external partners that regenerates the immune system of patients. Researchers have genetically modified T-helper cells so that they can no longer be infiltrated by the virus because a protein on the surface prohibits the fusion of the virus and the cell membrane. Preliminary results from a phase I/II study should show by the middle of 2004 whether the treatment concept is effective in humans. The study should be complete in 2005. T-helper cells are taken from the patients, genetically modified and then returned via infusion. The researchers hope the genetically protected cells fortify the body, strengthen the immune system and lengthen or prohibit the outbreak of AIDS. This gene therapy is expected to be used first in patients where the AIDS combination therapy HAART (highly active antiretroviral therapy) wasn't effective. In Europe, between 6,000 and 13,000 patients have failed the HAART regimen.

TAIC: Transplant Acceptance Inducing Cells

Recipients of donor organs must take immunosuppressive medications with strong side effects for their entire life so that their body doesn't reject the foreign organ. In animal experiments with rats the rejection of transplanted organs could be prevented by introducing specially prepared cells from the donor animal to the recipient prior to the transplant.

Blood cells from the donor animals were specifically isolated and, by means of a special laboratory treatment, converted into TAIC (Transplant Acceptance Inducing Cell) and multiplied. The researchers then injected the cells into animals that received an organ transplant days later.

With the TAIC treatment, the probability of rejection, even 150 days after the operation, was under 10 %. In a further study using TAIC, pigs received an organ transplant. One year after discontinuing the immunosuppressive medication the animals survived with a probability of 75 %. All of the pigs and rats not treated with TAIC in the control group rejected the organs in a short

period of time. Similar results were found in control groups in which TAIC and donor organs originated from different animals.

The goal of Fresenius Biotech is to develop a therapy for humans together with external partners that enables the long-term acceptance of donor organs by recipients with little or no medication. A pilot study with 10 patients has already begun.

Glossary:

Study phases

The goal of a phase I study is to determine possible dosages and side effects while a phase II study verifies the efficacy and tolerance of a medication using a small number of patients. In addition, the new medication is compared to standard therapies and a benefit-risk analysis is performed.

Fresenius Biotech GmbH is a company of the Fresenius Group, focused on the development and marketing of biopharmaceuticals in the fields of oncology, immunology and regenerative medicine.

Fresenius is an internationally operating Health Care Group with products and services for dialysis, hospitals and the ambulatory medical care of patients. Sales amounted to 5,25 billion euros in the nine months of 2003. On 30 September 2003 the Fresenius Group had 65,941 employees worldwide.

All Capital Market Day presentations including q&a sessions will be broadcast today from 10am to approximately 3.30pm via Internet at www.fresenius-ag.com.