



P R E S S R E L E A S E

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1st-3rd Quarter 2004

Fresenius continues successful revenue and earnings development, raises earnings outlook

- Sales € 5.4 billion
 + 8 % constant currency, + 3 % at actual exchange rates
 - EBIT € 628 million
 + 13 % constant currency, + 6 % at actual exchange rates
 - Net Income € 125 million
 + 26 % constant currency, + 19 % at actual exchange rates
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- Fresenius Medical Care posts continued strong sales and earnings growth
 - Continued excellent organic revenue development and improved EBIT margin at Fresenius Kabi
 - Fresenius ProServe within revenue and earnings expectations
 - Earnings outlook for 2004 raised

Group outlook for 2004

In the third quarter, Fresenius Medical Care and Fresenius Kabi continued to exceed their earnings targets. Revenues and earnings of Fresenius ProServe are within expectations for 2004. Based on these excellent results, Fresenius Group raises its earnings outlook for the full year 2004: Net income is expected to grow approximately 35 % in constant currency. Previously, the Company expected net income to increase at approximately 30 %. Fresenius

expects 2004 sales growth in constant currency in the high single-digit range. Sales and earnings growth is expected in all business segments.

Sales

Sales in the first nine months of 2004 increased 8 % in constant currency. Organic growth was 6 %, acquisitions contributed 2 %. Currency translation effects had a negative 5 % effect on sales. At actual exchange rates sales increased 3 % to € 5,399 million (Q1-Q3 2003: € 5,254 million).

Sales in North America accounted for 48 % of Group sales followed by Europe with 39 % and Asia-Pacific with 7 %. Sales in Latin America and the remaining regions accounted for 6 % of total sales. Very strong growth rates of 14 % and 18 % in constant currency were achieved in Asia-Pacific and Latin America. Fresenius expects Asia-Pacific and Latin America to continue above-average growth in the future.

in € million	Q1-3 2004	Q1-3 2003	Change	Organic growth	Currency translation effects	Akquisitions/ Divestitures	% of total sales
Europe	2,071	1,976	5%	4%	0%	1%	39%
North America	2,620	2,638	-1%	6%	-10%	3%	48%
Asia-Pacific	405	372	9%	14%	-5%	0%	7%
Latin America	200	183	9%	11%	-9%	7%	4%
Africa	103	85	21%	13%	3%	5%	2%
Total	5,399	5,254	3%	6%	-5%	2%	100%

The table below lists the sales contribution of the three business segments:

	Q1-3 2004	Q1-3 2003
Fresenius Medical Care	69%	70%
Fresenius Kabi	20%	20%
Fresenius ProServe	11%	10%

Fresenius Medical Care's lower sales contribution is the result of currency translation effects.

Earnings

Strong growth rates were achieved in earnings: In constant currency, EBITDA rose 10 %. At actual exchange rates, EBITDA increased 4 % to € 857 million (Q1-Q3 2003: € 825 million). Group EBIT increased 13 % in constant currency

and 6 % at actual exchange rates to € 628 million (Q1-Q3 2003: € 590 million). The EBIT margin improved from 11.2 % in the first nine months 2003 to 11.6 %.

The net interest result improved to € -156 million in the first nine months and was € 30 million below last year's level of € -186 million. This is the result of a lower debt level as well as the conversion of a portion of Fresenius Medical Care's debt from fixed to variable interest rates. Currency exchange rates also had a favorable impact.

The effective tax rate for the first nine months of 2004 was 40.3 % (Q1-Q3 2003: 39.1 %).

In the first nine months of 2004, minority interests increased to € 157 million compared to € 141 million in the first nine months of 2003. 96 % of minority interests were attributed to Fresenius Medical Care.

Net income rose 26 % in constant currency and 19 % at actual exchange rates to € 125 million (Q1-Q3 2003: € 105 million). The excellent operating performance of Fresenius Medical Care and Fresenius Kabi as well as significantly lower interest expenses contributed to the increase in net income.

Earnings per ordinary share rose to € 3.04 (Q1-Q3 2003: € 2.55). Earnings per preference share rose to € 3.06 (Q1-Q3 2003: € 2.57). This represents an increase of 19 %.

Investments

In the first nine months of 2004, Fresenius invested € 253 million (Q1-Q3 2003: € 247 million). Of this amount € 174 million was spent on capital expenditures for property, plant and equipment and intangible assets (Q1-Q3 2003: € 180 million) and € 79 million on acquisitions (Q1-Q3 2003: € 67 million).

Europe accounted for 50 % of Group investments, North America for 40 % and Asia-Pacific, Latin America and Africa for 10 %.

Cash flow

Operating cash flow and free cash flow reached new all-time highs in the first nine months: Operating cash flow increased 3 % to € 580 million (Q1-Q3 2003: € 565 million) primarily due to the positive development of Group net income. Free cash flow before acquisitions and dividends increased 6 % to € 423 million (Q1-Q3 2003: € 399 million). Free cash flow after acquisitions and dividends rose 4 % to € 232 million (Q1-Q3 2003: € 224 million) despite higher spending for acquisitions (€ -72 million, net) and dividends (€ -119 million).

Asset and capital structure

Total assets rose 4 % to € 8,690 million (December 31, 2003: € 8,347 million) or 3 % in constant currency. Total current assets increased 10 % to € 3,023 million (December 31, 2003: € 2,744 million). This increase was due mainly to an increase in trade accounts receivable (+13 %), since receivables from the Fresenius Medical Care receivable securitization program are stated in the balance sheet starting this year following an amendment to the program.

Debt was € 3,006 million at actual rates as of September 30, 2004 (constant currency: € 2,979 million). In comparison, debt at the end of 2003 including liabilities related to the receivables securitization program was € 3,148 million (excluding securitization program: € 3,023 million).

The ratio net debt/EBITDA was 2.5 by September 30, 2004. Fresenius had originally targeted this level for 2005 and thus achieved this goal earlier than expected. This was mainly accomplished due to the excellent cash flow.

Shareholders' equity including minority interests was € 3,443 million, up 7 % from € 3,214 million on December 31, 2003. The equity ratio including minority interests was 39.6 % (December 31, 2003: 38.5 %).

Employees

Fresenius had 69,522 employees worldwide on September 30, 2004, an increase of 5 % compared to 66,264 employees at December 31, 2003.

Fresenius Biotech

Fresenius Biotech develops innovative therapies with trifunctional antibodies for the treatment of cancer as well as cell therapies for the treatment of end-stage HIV infection. In the field of polyclonal antibodies, Fresenius Biotech has successfully marketed ATG-Fresenius S for many years. ATG-Fresenius S is an immuno-suppressive agent used to suppress graft rejection following an organ transplantation.

In 2004, a phase I study using the antibody removab[®] to treat non-small-cell lung cancer was completed. In addition, a phase I study using removab[®] to treat peritoneal carcinomatosis as well as a phase I study using the antibody rexomun against breast cancer provided preliminary results on safety and tolerability. Due to the encouraging results, Fresenius Biotech is planning to launch further studies in both indications. The final reports of these two studies are planned to be published in the first half of 2005. As part of the clinical trial plan, a phase II/III study was launched to investigate the use of the removab[®] antibody as a therapy against malignant ascites. The final report of this study is expected in the second half of 2006.

First intermediate results of a phase I/II study reviewing the treatment of patients with end-stage HIV infection will be available in early 2005. The study is expected to show whether the mode of action functions in treating humans.

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, 2004, Fresenius Medical Care treated 123,000 patients (+5 %) in 1,595 dialysis clinics (+4 %).

in US\$ million	Q1-3 2004	Q1-3 2003	Change
Sales	4,588	4,075	13%
EBITDA	796	709	12%
EBIT	625	550	14%
Net income	294	237	24%
Employees	46,768 (Sep 30, 2004)	43,445 (Dec 31, 2003)	8%

- Excellent top-line and net income growth continued
- Continued strong performance of North American service business and International product business
- Company upgrades net income guidance for 2004

In the first nine months of 2004, Fresenius Medical Care achieved significant sales growth of 13 % to \$ 4,588 million (Q1-Q3 2003: \$ 4,075 million) or 10 % in constant currency.

Fresenius Medical Care increased sales by a strong 9 % in its key North American market which accounts for 68 % of all sales. Sales outside of North America ("international" segment) rose 20 %. In constant currency, the international segment had an impressive growth of 11 %.

Dialysis products sales at Fresenius Medical Care increased 11 % to \$ 1,254 million. Dialysis services sales were up 13 % at \$ 3,334 million. In the first nine months of 2004, Fresenius Medical Care performed approximately 14.0 million dialysis treatments. This is an increase of 6 % compared to the first nine months of 2003. North America accounted for 9.6 million treatments (+5 %) and the international segment for 4.4 million (+9 %).

Fresenius Medical Care grew EBIT by 14 % to \$ 625 million (Q1-Q3 2003: \$ 550 million). Net income at Fresenius Medical Care was \$ 294 million, up 24 % from the first nine months of 2003.

Based on the strong performance in the first nine months of 2004 the company lifts its net income guidance for the full year 2004. The top-line revenue growth at constant currencies should remain in the high single digit range. After expecting a net income growth for 2004 in the mid teens the Company now expects net income growth to be in the high teens.

For further information: see Investor News Fresenius Medical Care at www.fmc-ag.de.

Fresenius Kabi

Fresenius Kabi is a leading provider of nutrition and infusion therapy for critically and chronically ill patients in the hospital and ambulatory environment. In addition, the Company offers products in the field of infusion and transfusion technology.

in € million	Q1-3 2004	Q1-3 2003	Change
Sales	1,105	1,082	2%
EBITDA	190	164	16%
EBIT	129	107	21%
Net income	57	44	30%
Employees	11,545 (Sep 30, 2004)	11,470 (Dec 31, 2003)	1%

- Profitability improvement continued
- Organic sales growth reaches 5 %
- Earnings outlook raised
- Live webcast of Capital Market Day on December 8, 2004

Sales at Fresenius Kabi increased 2 % to € 1,105 million (Q1-Q3 2003: € 1,082 million). Fresenius Kabi achieved good overall organic growth of 5 %. Asia-Pacific and Latin America performed exceptionally well, achieving organic growth of 20 % and 12 % respectively. Cost-cutting in the health care sector and price pressure led to a 6 % decline in Germany. Excluding Germany, Fresenius Kabi achieved organic revenue growth of 6 % in Europe. Currency exchange rates had in effect of -1% on sales for the first nine months. Divestments decreased sales by 2 %.

Fresenius Kabi significantly increased its earnings. EBIT increased by 21 % in the first nine months of 2004 to € 129 million (Q1-Q3 2003: € 107 million). The EBIT margin in the first nine months of 2004 was 11.7 %, an increase of 180 basis points from 9.9 % in the first nine months of 2003.

Based on these positive results, Fresenius Kabi raised its earnings guidance for the full-year: The EBIT margin is now expected to increase to more than 11.5 %. Fresenius Kabi expects constant-currency sales to grow in the mid-single digits.

A Capital Market Day will be held on December 8, 2004 where the Management Board of Fresenius Kabi will discuss in detail the products, markets, strategy and growth prospects of the company. The event will begin at 10am and will be broadcasted live over the Internet at www.fresenius-ag.com.

Fresenius ProServe

Fresenius ProServe offers services to the international health care sector. The health care business includes hospital management as well as the planning and construction of hospitals. The pharma industry business focuses on the planning and construction of pharmaceutical plants and medical technical production sites.

in € million	Q1-3 2004	Q1-3 2003	Change
Sales	581	526	10%
EBITDA	23	27	-15%
EBIT	3	5	-40%
Net income	-11	-4	--
Employees	10,643 (Sep 30, 2004)	10,815 (Dec 31, 2003)	-2%

- Organic sales growth of 10 %
- Order intake up 18 %
- Agreement reached on the sale of nursing care business
- Business development in line with full-year outlook

Sales in the first nine months of 2004 rose to € 581 million at Fresenius ProServe. This is an increase of 10 % that was achieved solely through

organic growth (Q1-Q3 2003: € 526 million). Sales growth came primarily from the positive development of the health care project business.

Order intake increased significantly by 18% in the first nine months to € 199 million (Q1-Q3 2003: € 169 million). This increase grew out of projects in the health care business. The order backlog was € 435 million (December 31, 2003: € 435 million).

Fresenius ProServe's EBIT in the first nine months of 2004 was € 3 million (Q1-Q3 2003: € 5 million). This figure includes € 8 million before tax of one-time expenses. Excluding the one-time expenses, EBIT was € 11 million in the first nine months. The 80 % bed utilization rate in the first nine months of 2004 at the German hospital business of Wittgensteiner Kliniken was at previous year's level.

The sales of its subsidiary hospitalia care is a further step of Fresenius ProServe to focus on its core activities, Wittgensteiner Kliniken, VAMED and Pharmaplan. hospitalia care currently operates and manages 23 nursing care facilities in Germany. The sale of hospitalia care completes the strategic reorientation of the Fresenius ProServe Group.

Fresenius ProServe confirms its full-year outlook and expects 2004 EBIT of between € 15 million and € 20 million before one-time expenses. One-time expenses are expected to be in the range of € 8 million. Sales at Fresenius ProServe are expected to increase about 10 % in 2004.

Video Webcast

As part of the earnings announcement for the first nine months of 2004, a press conference will be held at the Fresenius headquarters in Bad Homburg on November 2, 2004 at 10 a.m. CET. You are cordially invited to follow the conference in a live broadcast over the Internet at www.fresenius-ag.com . Following the meeting, a recording of the conference will be available as video-on-demand.

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)

January 1 to September 30, in million €	2004	2003
Sales	5,399	5,254
Cost of goods sold	-3,638	-3,564
Gross profit	1,761	1,690
Selling, general and administrative expenses	-1,038	-1,013
Expenditure on research and development	-95	-87
Operating income (EBIT)	628	590
Net interest	-156	-186
Earnings before income taxes and minority interests	472	404
Income taxes	-190	-158
Minority interests	-157	-141
Net income	125	105
Basic earnings per ordinary share (in €)	3.04	2.55
Fully diluted earnings per ordinary share (in €)	3.03	2.55
Basic earnings per preference share (in €)	3.06	2.57
Fully diluted earnings per preference share (in €)	3.05	2.57

Average number of shares		
Ordinary shares	20,484,842	20,484,842
Preference shares	20,484,842	20,484,842
EBIT (in million €)	628	590
Depreciation and amortization (in million €)	229	235
EBITDA (in million €)	857	825
EBIT margin	11.6%	11.2%
EBITDA margin	15.9%	15.7%