



Fresenius Medical Care

P R E S S – R E L E A S E

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Fresenius Medical Care Reports Strong Third Quarter and Nine Months Results; Confirms Outlook for 2008

Summary Third Quarter 2008:

Net revenue	\$ 2,713 million	+ 12%
Operating income (EBIT)	\$ 422 million	+ 6%
Net income	\$ 206 million	+ 14%
Earnings per share	\$ 0.69	+ 14%

Summary First Nine Months 2008:

Net revenue	\$ 7,890 million	+ 10%
Operating income (EBIT)	\$ 1,240 million	+ 8%
Net income	\$ 603 million	+ 16%
Earnings per share	\$ 2.03	+ 16%

Bad Homburg, Germany – Fresenius Medical Care AG & Co. KGaA (“the Company”), the world’s largest provider of Dialysis Products and Services, today announced its results for the third quarter and first nine months of 2008.

Third Quarter 2008:

Revenue

Net revenue for the third quarter of 2008 increased by 12% to \$2,713 million (9% at constant currency) compared to the third quarter of 2007. Organic revenue growth worldwide was 8%. Dialysis Services revenue grew by 10% to \$1,985 million (9% at constant currency) in the third quarter of 2008. Dialysis Product revenue increased by 16% to \$728 million (11% at constant currency) in the same period.

North America revenue increased by 7% to \$1,771 million. Organic revenue growth was 5%. Dialysis Services revenue grew by 6% to \$1,587 million. Average revenue per treatment for the U.S. clinics increased to \$333 in the third quarter of 2008. This represents an increase of \$6 per treatment compared to the third quarter of 2007 as well as sequentially from the second quarter of 2008. The improvement in the revenue per treatment was primarily due to increased commercial revenue rates. Dialysis Product revenue increased by 11% to \$184 million. This performance was led by strong sales across almost the entire product portfolio.

International revenue was \$942 million, an increase of 23% (14% at constant currency) compared to the third quarter of 2007. Organic revenue growth in the International segment was 13%. Dialysis Services revenue reached \$398 million, an increase of 30% (20% at constant currency). Dialysis Product revenue rose 19% to \$544 million (11% at constant currency), led by strong dialyzer and dialysis machine sales.

Earnings

Operating income (EBIT) increased by 6% to \$422 million compared to \$397 million in the third quarter of 2007, resulting in an operating margin of 15.6% compared to 16.4% for the third quarter 2007. This margin decrease mainly reflected higher personnel expenses, increased costs for the anticoagulant drug Heparin, a mix effect with accelerated growth in the International Service business, start-up costs of new clinics and higher expenditures for our research and development activities. Further, we experienced higher depreciation expenses as a result of our recent investments to expand our production capacities to continue to meet customer demand. The availability of these new capacities allowed a more normalized summer shutdown program for maintenance of our European facilities, in contrast to last year's shortened program. The exceptional revenue growth was supported by increased reimbursement rates and a continued above market growth of renal products.

Net interest expense for the third quarter of 2008 was \$87 million compared to \$95 million in the same quarter of 2007. This positive development was mainly attributable to lower average interest rates associated with changes in the financing structure due to the redemption of a portion of the Trust Preferred Securities.

Income tax expense was \$123 million for the third quarter of 2008 compared to \$115 million in the third quarter of 2007, reflecting effective **tax rates** of 36.6% and 38.0%, respectively. The decrease is mainly a result of German tax reform which became effective January 1, 2008.

Net income for the third quarter 2008 was \$206 million, an increase of 14%.

Earnings per share (EPS) for the third quarter of 2008 rose 14% to \$0.69 per ordinary share compared to \$0.61 for the third quarter of 2007. Earnings per ordinary American Depository Share (ADS) are equivalent as one ADS represents one share as a result of the change in ratio of the Company's ordinary shares and preference shares to ADSs. The weighted average number of shares outstanding for the third quarter of 2008 was approximately

297.2 million shares compared to 295.8 million shares for the third quarter of 2007. The increase in shares outstanding is due to stock option exercises in the fourth quarter of 2007 and in the first nine months of 2008.

Cash Flow

In the third quarter of 2008, the Company generated a very strong \$315 million in **cash from operations**, representing 12% of revenue. The cash flow generation was impacted by our strong operating income combined with a slight increase in working capital.

A total of \$160 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** was \$155 million. A total of \$39 million in cash was used for **acquisitions**, net of divestitures.

Nine Months Ended September 30, 2008:

Revenue and Earnings

Net revenue was \$7,890 million, up 10% from the first nine months of 2007. In constant currency net revenue rose 7%. Organic growth was 7% in the first nine months of 2008.

Operating income (EBIT) increased by 8% to \$1,240 million compared to \$1,152 million in the first nine months of 2007, resulting in an operating margin of 15.7% compared to 16.1% for the first nine months of 2007. This development mainly reflected higher research and development expenses and start-up costs for new clinics. Reduced reimbursement rates for EPO, lower utilization levels of EPO as well as increased costs for the anticoagulant drug Heparin and higher personnel expenses were partially offset by increases in underlying reimbursement rates and strong contributions from renal products.

Net interest expense for the first nine months of 2008 was \$252 million compared to \$281 million in the same period of 2007. The reduction was mainly due to lower average interest rates associated with changes in our financing structure.

Income tax expense was \$366 million in the first nine months of 2008 compared to \$331 million in the same period in 2007, reflecting **tax rates** of 37.0% and 38.0%, respectively.

For the first nine months of 2008, **net income** was \$603 million, an increase of 16% from the first nine months of 2007.

Earnings per ordinary share rose 16% to \$2.03. The weighted average number of shares outstanding during the first nine months of 2008 was approximately 296.8 million.

Cash Flow

Cash from operations during the first nine months of 2008 was \$716 million, representing 9% of revenue. Cash Flow generation was impacted by our strong operating income, partially offset by slight increases in the Days Sales Outstanding (DSO) and other working capital.

A total of \$493 million was used for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** for the first nine months of 2008 was \$223 million. A total of \$130 million in cash was used for **acquisitions**, net of divestitures.

Please refer to the attachments for a complete overview on the third quarter and first nine months of 2008.

Patients – Clinics – Treatments

As of September 30, 2008, Fresenius Medical Care treated 181,937 **patients** worldwide, which represents a 6% increase compared to last year. North America provided dialysis treatments for 125,356 patients, an increase of 4%. Including 34 clinics managed by Fresenius Medical Care North America, the number of patients in North America was 127,172. The International segment served 56,581 patients, an increase of 10% over last year.

As of September 30, 2008, the Company operated a total of 2,349 **clinics** worldwide. This is comprised of 1,666 clinics in North America (1,700 including managed clinics), an increase of 5%, and 683 clinics in the International segment, an increase of 8%.

Fresenius Medical Care delivered approximately 20.7 million dialysis **treatments** worldwide during the first nine months of 2008. This represents an increase of 5% year over year. North America accounted for 14.2 million treatments, an increase of 4%, and the International segment delivered 6.4 million treatments, an increase of 9% over last year.

Employees

As of September 30, 2008, Fresenius Medical Care had 63,990 employees (full-time equivalents) worldwide compared to 61,406 employees at the end of 2007.

Debt/EBITDA Ratio

The ratio of debt to Earnings before Interest, Taxes and Amortization (EBITDA) decreased from 2.88 at the end of the third quarter of 2007 to 2.71 at the end of the third quarter 2008.

Credit Ratings

During Q3, Moody's did not change any Rating of Fresenius Medical Care. Standard & Poors revised its outlook on July 9th, 2008 from positive to negative in connection with Fresenius SE's acquisition of APP Pharmaceuticals Inc. All other Ratings of Fresenius Medical Care were affirmed, last on September 4th, 2008. For further detailed information on Fresenius Medical Care's Credit Relations we would like to refer you to our Internet Page at [www.fmc-ag.com / InvestorRelations / CreditRelations](http://www.fmc-ag.com/InvestorRelations/CreditRelations) where one can find for example additional information on our credit ratings, maturity profiles and credit instruments.

Outlook for 2008

For the year 2008, the Company confirms its outlook and expects to achieve **revenue** of more than \$10.4 billion, an increase of more than 7%.

Net income is projected to be between \$805 million and \$825 million in the fiscal year 2008. This represents an increase of 12% to 15%.

In addition, the Company expects to spend \$650 to \$750 million on **capital expenditures** and \$150 to \$250 million on **acquisitions**. The **debt/EBITDA ratio** is projected to decrease to below 2.8 by the end of 2008.

For 2010, Fresenius Medical Care continues to expect revenue of more than \$11.5 billion. Earnings after tax are projected to grow in the low- to mid-teens each year.

Ben Lipps, Chief Executive Officer of Fresenius Medical Care, commented: “We are very pleased to report a strong third quarter and first nine months of 2008. Our organic revenue growth clearly accelerated during the year 2008 showing an excellent growth of 8% in the third quarter of 2008. With 12% of revenue, we have seen a very strong operating cash flow performance. We continued our investments in future growth by expanding our clinic network and production capacities as well as our research and development activities. Despite cost pressures, an uncertain economic environment and volatile currency developments, we are proud to say that we can reconfirm our guidance for 2008 and are confident of achieving our mid term financial targets for 2010. More importantly in the current environment, our financing is very stable through 2011. We remain focused on continuing to execute our strategic objectives, in particular, providing our patients the best dialysis treatment possible to ensure a maximum of quality of life.”

Conference Call

Fresenius Medical Care will hold a conference call to discuss the results of the third quarter and the first nine months of 2008 on Tuesday, November 4, 2008, at 3:30 pm CEDT / 9:30 am EDT. The Company cordially invites journalists to view the live webcast of the conference call at the Company's website www.fmc-ag.com / Investor Relations / Presentations. A replay will be available shortly after the call.

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Fresenius Medical Care is the world's largest integrated provider of products and services for individuals undergoing dialysis because of chronic kidney failure, a condition that affects more than 1,600,000 individuals worldwide. Through its network of 2,349 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatment to 181,937 patients around the globe. Fresenius Medical Care is also the world's leading provider of dialysis products such as hemodialysis machines, dialyzers and related disposable products. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME, FME3) and the New York Stock Exchange (FMS, FMS/P)

For more information about Fresenius Medical Care visit the Company's website at www.fmc-ag.com.

This release contains forward-looking statements that are subject to various risks and uncertainties. Actual results could differ materially from those described in these forward-looking statements due to certain factors, including changes in business, economic and competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. These and other risks and uncertainties are detailed in Fresenius Medical Care AG & Co. KGaA's reports filed with the U.S. Securities and Exchange Commission. Fresenius Medical Care AG & Co. KGaA does not undertake any responsibility to update the forward-looking statements in this release.

Fresenius Medical Care
Statement of Earnings

in US-\$ thousands, except share and per data share
(unaudited)

	Three Months Ended		Change in %
	September 30, 2008	2007	
Net revenue			
Dialysis Care	1,984,938	1,800,771	10.2%
Dialysis Products	728,327	625,371	16.5%
Total net revenue	2,713,265	2,426,142	11.8%
Cost of revenue	1,803,886	1,588,201	13.6%
Gross profit	909,379	837,941	8.5%
Selling, general and administrative	466,983	425,590	9.7%
Research and development	20,206	15,639	29.2%
Operating Income (EBIT)	422,190	396,712	6.4%
Interest Expense, net	87,049	94,833	-8.2%
Earnings before income taxes and minority interest	335,141	301,897	11.0%
Income tax expense	122,534	114,750	6.8%
Minority interest	6,272	6,371	
Net income	206,335	180,758	14.1%
Operating Income (EBIT)	422,190	396,712	6.4%
Depreciation and amortization	107,897	89,368	20.7%
EBITDA	530,087	486,080	9.1%
Earnings per ordinary share	\$0.69	\$0.61	13.6%
Earnings per ordinary ADS	\$0.69	\$0.61	13.6%
Weighted average number of shares			
Ordinary shares	293,417,973	292,062,414	
Preference shares	3,802,913	3,747,548	

Fresenius Medical Care Statement of Earnings

(in US-\$ thousands, except share and per share data)

	Nine Months Ended September 30,		% Change
	2008	2007	
Net revenue			
Dialysis Care	5,753,484	5,356,669	7.4%
Dialysis Products	2,136,801	1,794,357	19.1%
Total net revenue	7,890,285	7,151,026	10.3%
Cost of revenue	5,201,721	4,691,347	10.9%
Gross profit	2,688,564	2,459,679	9.3%
Selling, general and administrative	1,388,680	1,263,681	9.9%
Research and development	59,978	43,546	37.7%
Operating income (EBIT)	1,239,906	1,152,452	7.6%
Interest expense, net	252,009	281,319	-10.4%
Earnings before income taxes and minority interest	987,897	871,133	13.4%
Income tax expense	365,621	331,097	10.4%
Minority interest	18,980	20,320	
Net income	603,296	519,716	16.1%
Operating income (EBIT)	1,239,906	1,152,452	7.6%
Depreciation and amortization	306,761	259,861	18.0%
EBITDA	1,546,667	1,412,313	9.5%
Earnings per Ordinary share	\$2.03	\$1.76	15.5%
Earnings per Ordinary ADS	\$2.03	\$1.76	15.5%
Weighted average number of shares			
Ordinary shares	293,030,504	291,721,451	
Preference shares	3,790,298	3,728,265	
Employees			
Full-time equivalents (Sep. 30 compared to Dec. 31)	63,990	61,406	