



Fresenius Medical Care

P R E S S – R E L E A S E

February 20, 2008
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Fresenius Medical Care Reports Excellent Fourth Quarter and Full Year 2007 Results and Provides Strong Outlook for 2008

The Company clearly exceeded its financial targets, achieved record earnings and proposes its 11th consecutive annual dividend increase.

Summary Fourth Quarter 2007:

Net revenue	\$ 2,569 million	+ 9%
Operating income (EBIT)	\$ 428 million	+ 21%
Net income	\$ 197 million	+ 30%
Earnings per share	\$ 0.67	+ 29%

Summary Full Year 2007:

Net revenue	\$ 9,720 million	+ 14%
Operating income (EBIT)	\$ 1,580 million	+ 20%
Net income	\$ 717 million	+ 34%
Earnings per share	\$ 2.43	+ 33%
Dividend Proposal		
Ordinary Share	€ 0.54	+ 15%
Preference Share	€ 0.56	+ 14%

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 fourth quarter and full year of 2007.

Fourth Quarter 2007:

Revenue

Net revenue for the fourth quarter 2007 increased by 9% to \$2,569 million (6% at constant currency) compared to the fourth quarter 2006. Organic revenue growth worldwide was 4%. Dialysis Services revenue grew by 6% to \$1,856 million (4% at constant currency) in the fourth quarter of 2007. Dialysis Product revenue increased by 18% to \$713 million (10% at constant currency) in the same period.

North America revenue increased by 3% to \$1,706 million. Dialysis Services revenue grew by 1% to \$1,526 million. Excluding effects of the divestiture of the perfusion business, Dialysis Service revenue increased by 3%. Average revenue per treatment for the U.S. clinics decreased by 1% to \$325 in the fourth quarter 2007 compared to \$328 for the same quarter in 2006. At the same time, due to extremely good cost containment, the comparable costs per treatment decreased by 2% to \$266 per treatment also contributing to a further margin expansion of 70 basis points in North America. Dialysis Product revenue increased by 17% to \$180 million again well above market led by strong sales of our 2008K hemodialysis machines, peritoneal dialysis products and the phosphate binding drug PhosLo.

International revenue was \$863 million, an increase of 24% (12% at constant currency) compared to the fourth quarter of 2006. Organic revenue growth of the international segment was 7%. Dialysis Services revenue reached \$331 million, an increase of 35% (22% at constant currency). Dialysis Product revenue rose by 18% to \$533 million (7% at constant currency), led by strong peritoneal dialysis products and dialyzers.

Earnings

Operating income (EBIT) increased by 21% to \$428 million compared to \$354 million in the fourth quarter 2006. Operating income for the fourth quarter 2006 includes costs of \$25 million related to restructuring costs and in-process R&D. Excluding these effects, operating income for the fourth quarter 2007 increased by 13%. The operating margin improved from 16.1% in the fourth quarter 2006 excluding the one-time costs to 16.6% in 2007.

Operating income (EBIT) before one-time items	2007	2006	% Change
Three months ended December 31, (in US-\$ million)			
Operating income (EBIT)	428	354	+ 21%
Cost of restructuring and in- process R&D	-	25	
Operating income (EBIT) before one-time items	428	379	+ 13%

In North America, the operating margin increased from 17.1% (excluding the effects of one-time items) by 70 basis points to 17.8% due to the new PhosLo business, higher product sales and decreased operating costs per treatment. In the International segment, the operating margin also increased by 70 basis points to 18.4% mainly due to higher growth in the emerging markets and increased efficiencies.

Net interest expense for the fourth quarter 2007 was \$90 million compared to \$96 million in the same quarter of 2006. This positive development was mainly attributable to lower average interest rates and a lower debt level.

Income tax expense was \$135 million for the fourth quarter of 2007 compared to \$99 million in the fourth quarter of 2006, reflecting effective **tax rates** of 39.8% and 38.5%, respectively.

Net income for the fourth quarter 2007 was \$197 million, an increase of 30%. Net income increased by 16% when compared to the fourth quarter 2006 excluding the effects of one-time items in 2006.

Net income before one-time items	2007	2006	% Change
Three months ended December 31, (in US-\$ million)			
Net income	197	152	+ 30%
Cost of restructuring and in-process R&D	-	18	
Net income before one-time items	197	170	+ 16%

Earnings per share (EPS) for the fourth quarter of 2007 rose by 29% to \$0.67 per ordinary share compared to \$0.52 for the fourth quarter of 2006. The weighted average number of shares outstanding for the fourth quarter of 2007 was approximately 296.3 million shares compared to 295.0 million shares for the fourth quarter of 2006. The increase in shares outstanding resulted from stock option exercises in 2007.

Cash Flow

In the fourth quarter of 2007, the Company generated \$309 million in **cash from operations**, representing approximately 12% of revenue, clearly ahead of our target. The extremely strong cash flow generation was primarily supported by higher earnings and a stable working capital.

A total of \$184 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** was \$125 million compared to \$266 million in the fourth quarter of 2006 on a reported basis. A total of \$118 million in cash was used for **acquisitions**.

Full Year 2007:

The operations of Renal Care Group (RCG) are included in the Company's consolidated statements of income and cash flows from April 1, 2006, therefore, the current results for the full year 2007 are not directly comparable with the results of the full year 2006.

Revenue and Earnings

Net revenue for 2007 was \$9,720 million, up 14% from 2006. At constant currency, net revenue rose by 12%. Organic growth was 6% in 2007.

Operating income (EBIT) increased by 20% to \$1,580 million compared to \$1,318 million in 2006. Operating income for the full year 2006 includes cost of \$37 million as a result of restructuring, the transformation of the Company's legal form and in-process R&D, and a gain from the clinic divestitures of \$40 million.

Excluding these items, operating income for 2007 increased also by 20%. This performance resulted in an operating margin of 16.3% compared to 15.5% for the year 2006.

Operating income (EBIT) before one-time items	2007	2006	% Change
Twelve months ended December 31, (in US-\$ million)			
Operating income (EBIT)	1,580	1,318	+ 20%
Cost of restructuring, transformation and in-process R&D	-	37	
Gain from divestiture	-	(40)	
Operating income (EBIT) before one-time items	1,580	1,315	+ 20%

Net interest expense for the full year 2007 was \$371 million compared to \$351 million in 2006. The increase was mainly the result of additional interest expense partially offset by the write-off in 2006 of deferred financing costs related to the 2003 senior credit facility of \$15 million, both in conjunction with the financing of the RCG acquisition.

Income tax expense was \$466 million for the full year compared to \$413 million in 2006, reflecting **tax rates** of 38.5% and 42.8%, respectively. The tax rate for 2006 was impacted by tax payments in the U.S mainly related to the gain on the divestiture of dialysis clinics in the U.S. Excluding this impact, the effective tax rate for 2006 was at 39.8%.

For the full year 2007, **net income** was \$717 million, up 34% from 2006. Net income for 2007 increased by 25% compared to 2006 excluding the effects of one-time items in 2006.

Net income before one-time items	2007	2006	% Change
Twelve months ended December 31, (in US-\$ million)			
Net income	717	537	+ 34%
Cost of restructuring, transformation and in-process R&D	-	24	
Write-off FME prepaid financing fees	-	9	
Loss from divestiture	-	4	
Net income before one-time items	717	574	+ 25%

For the full year 2007, **earnings per ordinary share** rose by 33% to \$2.43. The weighted average number of shares outstanding during 2007 was approximately 295.7 million.

Cash Flow

Cash from operations during the full year 2007 was \$1,200 million compared to \$908 million for 2006 on a reported basis. Excluding the effects of one-time items, cash from operations was \$1,106 million for 2006. The increase compared to prior year was mainly due to increased earnings.

A total of \$549 million was used for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** for 2007 was \$651 million compared to \$458 million in 2006. The underlying Free Cash Flow before acquisitions and the effects of one-time items for 2006 was \$656 million. A total of \$228 million in cash was used for **acquisitions**, net of divestitures. **Free Cash Flow after acquisitions** for the full year 2007 was \$423 million.

Please refer to the attachments for a complete overview on the fourth quarter and the full year of 2007.

Patients – Clinics – Treatments

As of December 31, 2007, Fresenius Medical Care treated 173,863 **patients** worldwide, which represents a 6% increase in patients compared to last year. North America provided dialysis treatments for 121,431 patients, an increase of 3%. Including 33 clinics managed by Fresenius Medical Care North America, the number of patients in North America was 123,273. The International segment served 52,432 patients, an increase of 15% over last year.

As of December 31, 2007, the Company operated a total of 2,238 **clinics** worldwide. This is comprised of 1,602 clinics in North America, an increase of 3%, and 636 clinics in the International segment, an increase of 16%.

Fresenius Medical Care delivered approximately 26.44 million dialysis **treatments** worldwide during 2007. This represents an increase of 11% year over year. North America accounted for 18.45 million treatments, an increase of 9%, and the

International segment delivered 7.99 million treatments, an increase of 16% over last year.

Employees

As of December 31, 2007, Fresenius Medical Care had 61,406 employees (full-time equivalents) worldwide compared to 56,803 employees at the end of 2006. The increase of 4,603 employees is primarily due to continued organic growth in the U.S. and acquisitions in Asia.

Dividends

The Company will continue to follow an earnings-driven dividend policy. For the eleventh consecutive year, shareholders can expect to receive an **increased annual dividend** for the fiscal year 2007. At the Annual General Meeting to be held on May 20, 2008, shareholders will be asked to approve a dividend of €0.54 per ordinary share, an increase of 15% from 2006 (€0.47) and €0.56 per preference share, an increase of 14% from 2006 (€0.49).

Debt/EBITDA Ratio

The ratio of debt to Earnings before Interest, Taxes and Amortization (EBITDA) decreased from 3.23 at the end of 2006 to 2.84 at the end of 2007.

Rating

There have been no rating changes in the fourth quarter 2007, Standard & Poor's Ratings Services rates the Company's corporate credit rating as 'BB' with a 'stable' outlook.

Moody's rates the Company's corporate credit rating as 'Ba2' with a 'positive' outlook.

Refinancing of Trust Preferred Securities

At the beginning of February, we refinanced our Capital Trust II and III Trust Preferred Securities. They were mandatorily redeemable after a period of ten years, expiring on February 1, 2008. The stated amount of Capital Trust II was \$450 million, with a fixed interest rate of 7 7/8%; the stated amount of Capital Trust III totaled DM300 million, with an interest rate of 7 3/8%. Fresenius Medical Care's existing financing facilities were utilized to affect the refinancing.

Outlook for 2008

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

Net income is expected to be between \$805 million and \$825 million in 2008, an increase of 12% to 15%.

The Company expects to spend \$650 to \$750 million **on capital expenditures** and \$150 to \$250 million on **acquisitions**. The **debt/EBITDA ratio** is expected to decrease 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 per year.

Ben Lipps, Chief Executive Officer of Fresenius Medical Care, commented: "Our excellent performance in 2007 achieving record revenue and earnings for the year reflects the strong demand for our products and services worldwide. Both, the North American segment and the International segment contributed to this outstanding performance. Overall, we continued to grow above market in our global product business and are the leading provider of dialysis services in all four major regions in the world. We are pleased to have again exceeded our guidance in 2007 and are proposing to deliver our eleventh consecutive dividend increase to our shareholders. We have made good progress on our growth initiatives and with our global presence, we are confident to continue our strong performance in 2008."

Video Webcast

Fresenius Medical Care will hold a press conference at its headquarters in Bad Homburg, Germany, to discuss the results of the fourth quarter and the full year of 2007 on Wednesday, February 20, 2008, at 10 am CET. The Company cordially invites journalists to view the live video webcast at the Company's website www.fmc-ag.com. A replay will be available shortly after the meeting.

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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 2,238 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatment to 173,863 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 share data)

	Three Months Ended		% Change
	December 31, 2007	2006	
Net revenue			
Dialysis Care	1,856,331	1,749,326	6.1%
Dialysis Products	712,957	603,025	18.2%
Total net revenue	2,569,288	2,352,351	9.2%
Cost of revenue	1,673,172	1,532,894	9.2%
Gross profit	896,116	819,457	9.4%
Selling, general and administrative	445,469	451,808	-1.4%
Research and development	22,977	13,946	64.8%
Operating income (EBIT)	427,670	353,703	20.9%
Interest expense, net	89,728	96,176	-6.7%
Earnings before income taxes and minority interest	337,942	257,527	31.2%
Income tax expense	134,555	99,088	35.8%
Minority interest	5,973	6,415	
Net income	197,414	152,024	29.9%
Operating income (EBIT)	427,670	353,703	20.9%
Depreciation and amortization	103,468	87,440	18.3%
EBITDA	531,138	441,143	20.4%
Earnings per Ordinary share	\$0.67	\$0.52	29.3%
Earnings per Ordinary ADS	\$0.67	\$0.52	29.3%
Weighted average number of shares			
Ordinary shares	292,545,441	291,376,746	
Preference shares	3,772,720	3,655,326	

Fresenius Medical Care Statement of Earnings

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

	Twelve Months Ended December 31,		% Change
	2007	2006	
Net revenue			
Dialysis Care	7,213,000	6,377,390	13.1%
Dialysis Products	2,507,314	2,121,648	18.2%
Total net revenue	9,720,314	8,499,038	14.4%
Cost of revenue	6,364,519	5,621,482	13.2%
Gross profit	3,355,795	2,877,556	16.6%
Selling, general and administrative	1,709,150	1,548,369	10.4%
Gain on sale of dialysis clinics	0	(40,233)	
Research and development	66,523	51,293	29.7%
Operating income (EBIT)	1,580,122	1,318,127	19.9%
Interest expense, net	371,047	351,246	5.6%
Earnings before income taxes and minority interest	1,209,075	966,881	25.0%
Income tax expense	465,652	413,489	12.6%
Minority interest	26,293	16,646	
Net income	717,130	536,746	33.6%
Operating income (EBIT)	1,580,122	1,318,127	19.9%
Depreciation and amortization	363,329	308,698	17.7%
EBITDA	1,943,451	1,626,825	19.5%
Earnings per Ordinary share	\$2.43	\$1.82	32.9%
Earnings per Ordinary ADS	\$2.43	\$1.82	32.9%
Weighted average number of shares			
Ordinary shares	291,929,141	290,621,904	
Preference shares	3,739,470	3,575,376	
Employees			
Full-time equivalents	61,406	56,803	