



Fresenius Medical Care

P R E S S – R E L E A S E

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Fresenius Medical Care Reports Strong Second Quarter and Half Year Results and Confirms Outlook for 2009

Summary Second Quarter 2009:

Net revenue	\$ 2,764 million	+ 4%
Operating income (EBIT)	\$ 418 million	- 3%
Net income attributable to		
Fresenius Medical Care AG & Co. KGaA	\$ 221 million	+ 5%
Earnings per share	\$ 0.74	+ 4%

Summary First Half 2009:

Net revenue	\$ 5,323 million	+ 3%
Operating income (EBIT)	\$ 813 million	- 1%
Net income attributable to		
Fresenius Medical Care AG & Co. KGaA	\$ 419 million	+ 6%
Earnings per share	\$ 1.41	+ 5%

Bad Homburg, Germany – Fresenius Medical Care AG & Co. KGaA (“the Company” or “FMC AG & Co. KGaA”), the world’s largest provider of dialysis products and services, today announced its results for the second quarter and first half of 2009.

Second Quarter 2009:

Revenue

Net revenue for the second quarter of 2009 increased by 4% to \$2,764 million (9% at constant currency) compared to the second quarter of 2008. Organic revenue growth worldwide was 8%. Dialysis Services revenue grew by 7% to \$2,054 million (10% at constant currency) in the second quarter of 2009. Dialysis Product revenue decreased by 4% to \$710 million (an increase of 7% at constant currency) in the same period.

North America revenue increased by 9% to \$1,876 million. Dialysis Services revenue grew by 9% to \$1,677 million. Average revenue per treatment for the U.S. clinics was \$344 in the second quarter of 2009 compared to \$327 for the same quarter in 2008 and \$338 for the first quarter of 2009. This development was based on an increase in commercial payor revenue and slightly increased EPO utilization. Dialysis Product revenue increased by 10% to \$199 million and was led by sales of the newly licensed intravenous iron products.

International revenue was \$888 million, a decrease of 7% (an increase of 9% at constant currency) compared to the second quarter of 2008. Dialysis Services revenue was \$377 million, a decrease of 4% (an increase of 13% at constant currency). Dialysis Product revenue decreased by 9% to \$510 million. Product sales grew by 6% based on constant currencies, led by increased pharmaceutical and dialysis machine sales and sales of products for acute care treatments.

Earnings

Operating income (EBIT) decreased partially due to currency translation effects by 3% to \$418 million compared to \$429 million in the second quarter of 2008 resulting in an operating margin of 15.1% compared to 16.1% for the second quarter of 2008.

In North America, the operating margin decreased by 100 basis points from 16.9% to 15.9% in the second quarter of 2009, primarily due to higher personnel expenses,

price increases for pharmaceuticals including Heparin, as well as the impact of the launch of a generic version of PhosLo® in the U.S. market in October 2008. These effects were partially offset by a strong performance of the dialysis product business, increased commercial payor revenue as well as the effect of economies of scale from revenue growth.

In the International segment, the operating margin decreased by 20 basis points to 17.3% due to unfavorable foreign exchange transaction effects in connection with the purchase of products produced in Europe and Japan coupled with the appreciation of the Euro and Yen against local currencies as well as higher depreciation as a result of increased investment in new production facilities, partially offset by cost savings.

Net interest expense for the second quarter of 2009 was \$76 million compared to \$82 million in the same quarter of 2008. This positive development was mainly attributable to lower short-term interest rates.

Income tax expense was \$103 million for the second quarter of 2009 compared to \$126 million in the second quarter of 2008, reflecting effective **tax rates** of 30.2% and 36.2%, respectively. Tax expense was positively impacted by a non-recurring revaluation of a tax claim.

Net income attributable to FMC AG & Co. KGaA for the second quarter of 2009 was \$221 million, an increase of 5%.

Earnings per share (EPS) for the second quarter of 2009 rose by 4% to \$0.74 per ordinary share compared to \$0.71 for the second quarter of 2008. The weighted average number of shares outstanding for the second quarter of 2009 was approximately 298.0 million shares compared to 296.7 million shares for the second quarter of 2008. The increase in shares outstanding resulted from stock option exercises in the past twelve months.

Cash flow

In the second quarter of 2009, the Company generated \$282 million in **cash from operations**, an increase of 35% compared to the second quarter of 2008 and representing approximately 10% of revenue. The cash flow performance was positively influenced by a favorable development of the Days Sales Outstanding (DSO), especially in North America.

A total of \$139 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** was \$143 million compared to \$30 million in the second quarter of 2008. A total of \$ 5 million in cash was generated from **divestitures net of acquisitions**. **Free Cash Flow after acquisitions and divestitures** was \$148 million compared to a negative \$28 million in the second quarter of last year.

First Half of 2009:

Revenue and Earnings

Net revenue was \$5,323 million, up 3% from the first half of 2008. At constant currency, net revenue rose 9%. Organic growth was 8% in the first six months of 2009.

Operating income (EBIT) decreased partially due to currency translation effects by 1% to \$813 million compared to \$818 million in the first half of 2008, resulting in an operating margin of 15.3% compared to 15.8% for the first half of 2008. This development was due to higher personnel expenses, price increases for pharmaceuticals including Heparin, as well as the impact of the launch of a generic version of PhosLo® in the U.S. market in October 2008. These effects were partially offset by a strong performance of the dialysis product business, increased commercial payor revenue as well as the effect of economies of scale from revenue growth.

Net interest expense for the first six months of 2009 was \$149 million compared to \$165 million in the same period of 2008. This positive development was mainly attributable to lower short-term interest rates.

Income tax expense was \$214 million in the first half of 2009 compared to \$237 million in the same period in 2008, reflecting effective **tax rates** of 32.2% and 36.3%, respectively. Tax expense was positively impacted by a non-recurring revaluation of a tax claim.

For the first half of 2009, **net income** attributable to FMC AG & Co. KGaA was \$419 million, up 6% from the first half of 2008.

In the first six months of 2009, **earnings per ordinary share** rose 5% to \$1.41. The weighted average number of shares outstanding during the first half of 2009 was approximately 297.9 million.

Cash flow

Cash from operations during the first six months of 2009 was \$437 million compared to \$401 million for the same period in 2008, representing approximately 8% of revenue. The cash flow generation benefited from the favorable development of the Days Sales Outstanding (DSO), especially in North America.

A total of \$249 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** for the first six months of 2009 was \$188 million compared to \$69 million in the same period in 2008. A total of \$31 million in cash was used for **acquisitions net of divestitures**. **Free Cash Flow after acquisitions and divestitures** was \$157 million compared to a negative \$23 million in the first half of last year.

Please refer to the attachments for a complete overview on the second quarter and first half 2009.

Patients – Clinics – Treatments

As of June 30, 2009, Fresenius Medical Care treated 190,081 **patients** worldwide, which represents a 6% increase compared to the same period last year. North America provided dialysis treatments for 129,163 patients, an increase of 4%. Including 31 clinics managed by Fresenius Medical Care North America, the number of patients in North America was 130,795. The International segment served 60,918 patients, an increase of 10% over last year.

As of June 30, 2009, the Company operated a total of 2,471 **clinics** worldwide. This is comprised of 1,731 clinics in North America (1,762 including managed clinics), an increase of 5%, and 740 clinics in the International segment, an increase of 10%.

Fresenius Medical Care delivered approximately 14.36 million dialysis **treatments** worldwide during the first six months of 2009. This represents an increase of 5% year over year. North America accounted for 9.69 million treatments, an increase of 3%, and the International segment delivered 4.67 million treatments, an increase of 11% over last year.

Employees

As of June 30, 2009, Fresenius Medical Care had 66,364 employees (full-time equivalents) worldwide compared to 64,666 employees at the end of 2008. The increase of approximately 1,700 employees is primarily due to overall growth in the Company's business.

Debt/EBITDA Ratio

The ratio of debt to Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) decreased from 2.86 at the end of the second quarter of 2008 to 2.78 at the end of the second quarter 2009. At the end of 2008, the debt/EBITDA ratio was 2.69.

Rating

In the second quarter of 2009, Standard & Poor's Rating Services continued to rate the Company's corporate credit as 'BB', while revising its outlook from 'negative' to 'stable'.

Moody's continued to rate the Company's corporate credit as 'Ba1' with a 'stable' outlook.

Fitch rates the Company's corporate credit as 'BB' with a 'negative' outlook.

Outlook for 2009 fully confirmed

For the full year of 2009, the Company confirms its outlook and expects to achieve **revenue** of more than \$11.1 billion, an increase of more than 8% in constant currency.

Net income attributable to FMC AG & Co. KGaA is expected to be between \$850 million and \$890 million in 2009.

In addition, the Company expects to spend \$550 to \$650 million on **capital expenditures** and \$200 to \$300 million on **acquisitions**. The **debt/EBITDA ratio** is projected to be below 2.7.

Ben Lipps, Chief Executive Officer of Fresenius Medical Care, commented: "Our organic growth rate remained at an excellent 8% in the second quarter of 2009, driven by the strong performance of newly launched products and steadily increasing demand for our high-quality dialysis services. In addition, we continued to see improvements in quality as evidenced by a reduction in hospitalization days in the U.S. that clearly benefit the patients and payors. We also continued to advance proven therapy approaches while planning for the likely healthcare reform in the U.S. Given the emerging pay-for-performance concepts in dialysis services, we are very well prepared to realize further growth well into the future. We confirm our guidance for the full year."

Conference Call

Fresenius Medical Care will hold a conference call to discuss the results of the second quarter and the first half year of 2009 on Tuesday, August 04, 2009, at 3:30 pm CEDT / 9:30 am EDT. The Company invites investors to listen to the live webcast of the call at the Company's website www.fmc-ag.com in the "Investor Relations" section. 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 1,770,000 individuals worldwide. Through its network of 2,471 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatment to 190,081 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 please 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)

	Six months ended June 30,		Change
	2009	2008	in %
Net revenue			
Dialysis Care	3,977,425	3,768,546	5.5%
Dialysis Products	1,345,954	1,408,474	-4.4%
Total net revenue	5,323,379	5,177,020	2.8%
Cost of revenue	3,529,362	3,397,835	3.9%
Gross profit	1,794,017	1,779,185	0.8%
Selling, general and administrative	938,686	921,697	1.8%
Research and development	41,852	39,772	5.2%
Operating Income (EBIT)	813,479	817,716	-0.5%
Interest expense, net	149,524	164,960	-9.4%
Income before taxes	663,955	652,756	1.7%
Income tax expense ¹⁾	213,749	237,021	-9.8%
Net income	450,206	415,735	8.3%
Less: Net income attributable to Noncontrolling interest ¹⁾	30,987	18,774	65.1%
Net income attributable to FMC AG & Co. KGaA	419,219	396,961	5.6%
Operating Income (EBIT)	813,479	817,716	-0.5%
Depreciation and amortization	215,842	198,864	8.5%
EBITDA	1,029,321	1,016,580	1.3%
Earnings per ordinary share	1.41	1.34	5.2%
Earnings per ordinary ADS	1.41	1.34	5.2%
Weighted average number of shares			
Ordinary shares	294,048,658	292,834,639	
Preference shares	3,819,676	3,783,922	
Employees			
Full-time equivalents (June 30 compared to Dec. 31)	66,364	64,666	

¹⁾ Due to the adoption of the new accounting rule SFAS 160 (US GAAP), tax expenses related to minority interests of partnerships were reclassified to noncontrolling interest. The effect is neutral to net income attributable to FMC AG & Co. KGaA. The previous year's periods have been adjusted accordingly.

Fresenius Medical Care Statement of Earnings

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

	Three months ended June 30,		Change
	2009	2008	in %
Net revenue			
Dialysis Care	2,054,104	1,924,259	6.7%
Dialysis Products	709,465	741,037	-4.3%
Total net revenue	2,763,569	2,665,296	3.7%
Cost of revenue	1,831,857	1,741,410	5.2%
Gross profit	931,712	923,886	0.8%
Selling, general and administrative	495,119	474,187	4.4%
Research and development	18,956	20,654	-8.2%
Operating Income (EBIT)	417,637	429,045	-2.7%
Interest expense, net	75,234	82,142	-8.4%
Income before taxes	342,403	346,903	-1.3%
Income tax expense ¹⁾	103,369	125,709	-17.8%
Net income	239,034	221,194	8.1%
Less: Net income attributable to Noncontrolling interest ¹⁾	17,921	10,106	77.3%
Net income attributable to FMC AG & Co. KGaA	221,113	211,088	4.7%
Operating Income (EBIT)	417,637	429,045	-2.7%
Depreciation and amortization	110,371	102,238	8.0%
EBITDA	528,008	531,283	-0.6%
Earnings per ordinary share	0.74	0.71	4.3%
Earnings per ordinary ADS	0.74	0.71	4.3%
Weighted average number of shares			
Ordinary shares	294,163,999	292,882,696	
Preference shares	3,827,962	3,788,021	

¹⁾ Due to the adoption of the new accounting rule SFAS 160 (US GAAP), tax expenses related to minority interests of partnerships were reclassified to noncontrolling interest. The effect is neutral to net income attributable to FMC AG & Co. KGaA. The previous year's periods have been adjusted accordingly.