



## P R E S S   R E L E A S E

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Joachim Weith, Corporate Communications

Tel.: +49 - 6172 - 6082101

Fax: +49 - 6172 - 6082294

e-mail: pr-fre@fresenius.de

www.fresenius-ag.com

### **Q1 2007: Successful start to 2007**

- Sales                    € 2.77 billion,  
                                  + 16 % at actual rates, + 22 % in constant currency
- EBIT                     € 380 million,  
                                  + 31 % at actual rates, + 37 % in constant currency
- Net income            € 93 million,  
                                  + 43 % at actual rates, + 48 % in constant currency
- All business segments in line with forecast
- Continued strong sales and earnings growth
- Fresenius ProServe to focus on hospital business – agreement reached to sell Pharmatec to Robert Bosch GmbH

### **Outlook for 2007 confirmed**

Based on the Group's strong financial results in the first quarter, Fresenius fully confirms its positive outlook for 2007 issued at the end of February. Group sales are expected to grow by 8 to 10 % in constant currency. Net income is expected to increase by 20 to 25 % in constant currency. Further margin improvements in all business segments are expected to contribute to this growth.

### **Sales – Very good organic growth**

Group sales increased by 16 % to € 2,767 million in the first quarter of 2007 (Q1 2006: € 2,388 million). Organic growth was 7 %. Acquisitions contributed 17 %, in particular

Renal Care Group which was consolidated for the first time as from the second quarter of 2006. Divestitures reduced sales by 2 %. Currency translation effects had a negative impact of 6 %. This was mainly attributable to the average dollar depreciation of 9 % against the euro in the first quarter of 2007 compared to previous year's period.

In North America sales grew significantly due to the Renal Care Group consolidation and an excellent organic growth rate of 9 %. In Europe sales increased by 8 % in constant currency, with organic growth of 4 %. Strong growth rates were achieved in the emerging markets with organic growth of 12 % in Asia-Pacific, 10 % in Latin America and 25 % in Africa.

in million €	Q1 2007	Q1 2006	Change at actual rates	Currency translation effects	Change at constant rates	Organic growth	Acquisitions/Divestitures	% of total sales
Europe	<b>1,150</b>	1,070	7%	0%	8%	4%	4%	41%
North America	<b>1,267</b>	1,009	26%	-11%	37%	9%	28%	46%
Asia-Pacific	<b>186</b>	155	20%	-6%	26%	12%	14%	7%
Latin America	<b>108</b>	105	3%	-7%	10%	10%	0%	4%
Africa	<b>56</b>	49	16%	-14%	30%	25%	5%	2%
Total	<b>2,767</b>	2,388	16%	-6%	22%	7%	15%	100%

## Excellent earnings growth

EBITDA increased by 34 % in constant currency and by 27 % at actual rates to € 479 million (Q1 2006: € 377 million). Group operating income (EBIT) increased by 37 % in constant currency and by 31 % at actual rates to € 380 million (Q1 2006: € 291 million). This growth was driven by the successful operating results in all business segments. The Group's EBIT margin improved to 13.7 % (Q1 2006: 12.2 %).

Group net interest was € -95 million (Q1 2006: € -84 million, incl. one-time expenses of € 25 million for the early refinancing of Group debt). This increase was primarily driven by debt financing of the Renal Care Group acquisition as from Q2 2006.

The tax rate further improved to 36.1 % from 36.7 % in Q1 2006.

Minority interest was € 89 million (Q1 2006: € 66 million), of which 93 % was attributable to the minority interest in Fresenius Medical Care.

Group net income grew strongly by 48 % in constant currency and by 43 % at actual rates to € 93 million (Q1 2006: € 65 million, incl. one-time expenses of € 11 million).

Earnings per ordinary share were € 0.60 and earnings per preference share were € 0.60 (Q1 2006 adjusted for the share split in February 2007: ordinary share € 0.43 and preference share € 0.43). This is an increase of 40 %.

### **Investments at high level**

Fresenius Group spent € 140 million for property, plant and equipment and intangible assets (Q1 2006: € 100 million). Acquisition spending was € 155 million (Q1 2006: € 3,290 million).

### **Strong cash flow**

Operating cash flow increased by 54 % to € 287 million (Q1 2006: € 186 million), mainly driven by the strong increase in earnings. Cash flow before acquisitions and dividends increased to € 155 million (Q1 2006: € 91 million). The free cash flow after acquisitions (€ 63 million) and dividends (€ 4 million) was € 88 million (Q1 2006: € -3,199 million).

### **Solid balance sheet structure**

Total assets increased in constant currency and at actual rates by 1 % to € 15,159 million (December 31, 2006: € 15,024 million). Current assets increased by 1 % to € 4,165 million (December 31, 2006: € 4,106 million). Non-current assets were € 10,994 million (December 31, 2005: € 10,918 million).

Shareholders' equity including minority interest grew by 3 % to € 5,873 million (December 31, 2006: € 5,728 million). The equity ratio (including minority interest) was 38.7 % (December 31, 2006: 38.1 %).

The Group's debt was € 5,778 million (December 31, 2006: € 5,872 million). Given the excellent earnings growth and a strong cash flow the net debt/EBITDA ratio improved to 2.8 as of March 31, 2007 (December 31, 2006: 3.0).

## **Employees**

As of March 31, 2007, the Group had 107,348 employees (December 31, 2006: 104,872), an increase of 2 %.

## **Fresenius Biotech**

Fresenius Biotech develops innovative therapies with trifunctional antibodies for the treatment of cancer as well as cell therapies for the treatment of the immune system. In the field of polyclonal antibodies, Fresenius Biotech has successfully marketed ATG-Fresenius S for many years. ATG-Fresenius S is an immunosuppressive agent used to prevent and treat graft rejection following organ transplantation.

In March 2007, encouraging results in the non-ovarian cancer patient stratum of a phase II/III pivotal study on malignant ascites were published, including treatment data of 129 patients. The results showed a clear advantage of the therapy with the trifunctional antibody removab<sup>®</sup> over a therapy with puncture alone. Data on overall survival of all 258 patients for both strata of the study are expected in the second quarter of 2007.

The Phase II studies with the antibody rexomun<sup>®</sup> to treat breast cancer and with the antibody removab<sup>®</sup> to treat gastric cancer are ongoing. These studies started in March 2006 and June 2006 respectively. A phase II study with removab<sup>®</sup> is due to start in Europe in the first half of 2007 for the treatment of patients with ovarian cancer.

Fresenius Biotech's operating income (EBIT) was € -11 million in Q1 2007. For 2007, Fresenius Biotech expects an EBIT of approximately € -50 million (2006: € -45 million).

## The Business Segments

### Fresenius Medical Care

Fresenius Medical Care is the world's leading provider of services and products for patients with chronic kidney failure. As of March 31, 2007, Fresenius Medical Care was serving 169,216 patients in 2,194 dialysis clinics.

in million US\$	Q1 2007	Q1 2006 as reported	Change
Sales	2,321	1,747	33%
EBITDA	450	305	48%
EBIT	365	244	50%
Net income	160	116	38%
Employees	62,262 (March 31, 2007)	59,996 (December 31, 2006)	4%

- Excellent sales increase and high organic growth in all regions
- Continued strong earnings growth
- Outlook for 2007 fully confirmed

Fresenius Medical Care achieved strong sales growth of 33 % to US\$ 2,321 million (Q1 2006: US\$ 1,747 million), mainly driven by the excellent organic growth of 9 % and by the consolidation of Renal Care Group. Sales in dialysis care increased by 38 % to US\$ 1,760 million (Q1 2006: US\$ 1,273 million). In dialysis products Fresenius Medical Care achieved sales of US\$ 560 million (Q1 2006: US\$ 474 million), an increase of 18 %.

In North America Fresenius Medical Care's sales increased by 37 % to US\$ 1,637 million (Q1 2006: US\$ 1,194 million). Sales outside North America ("International") grew by 24 % (17 % in constant currency) to US\$ 684 million (Q1 2006: US\$ 553 million). This was primarily driven by the positive operating performance in Europe and the Asia-Pacific region.

Fresenius Medical Care increased EBIT by 50 % to US\$ 365 million (Q1 2006: US\$ 244 million), the EBIT margin was 15.7 % (Q1 2006: 14.0 %). Net income increased by 38 % to US\$ 160 million (Q1 2006: US\$ 116 million, incl. one-time expenses of US\$ 9 million).

For the full year 2007, Fresenius Medical Care confirms its outlook and expects sales of about US\$ 9.4 billion. The net income is expected to be between US\$ 675 million and US\$ 695 million.

*For further information, please see press release of Fresenius Medical Care at [www.fmc-ag.com](http://www.fmc-ag.com).*

## Fresenius Kabi

Fresenius Kabi offers infusion therapies and clinical nutrition for seriously and chronically ill patients in the hospital and out-patient environments. The company is also a leading provider of transfusion technology products.

in million €	Q1 2007	Q1 2006	Change
Sales	483	466	4%
EBITDA	96	87	10%
EBIT	77	68	13%
Net income	42	26	62%
Employees	16,147 (March 31, 2007)	15,591 (December 31, 2006)	4%

- Very good organic sales growth
- Continued strong earnings development
- Outlook for 2007 fully confirmed

In the first quarter of 2007, Fresenius Kabi's sales increased by 4 % to € 483 million (Q1 2006: € 466 million). Currency translation effects had an impact of -3 %. This was mainly due to the depreciation of the currencies in China, Brazil, Mexico and Canada against the euro. Organic growth was 6 %, acquisitions contributed 1 % to growth.

Organic sales in Europe (excluding Germany) increased by 5 %. In Germany organic sales decreased by 1 %. Outside Europe, Fresenius Kabi achieved organic sales growth of 22 % in the Asia-Pacific region. In Latin America organic sales growth was 7 % and in other regions 8 %.

Fresenius Kabi achieved a very good EBIT growth, with an increase of 13 % to € 77 million (Q1 2006: € 68 million). The EBIT margin was 15.9 % (Q1 2006: 14.6 %). Net income rose by 62 % to € 42 million (Q1 2006: € 26 million, including one-time expenses for early debt refinancing of € 8 million).

Fresenius Kabi confirms its outlook for the full year 2007. The company expects a further successful sales and earnings performance. Organic sales growth is projected to be 6 to 8 %. Continued strong sales growth is anticipated from the regions outside Europe. Based on the positive sales projection and further manufacturing and logistics improvements Fresenius Kabi expects an EBIT margin of 16.0 to 16.5 % in 2007.

## Fresenius ProServe

Fresenius ProServe is a leading German hospital operator with 55 facilities. Moreover, the company offers engineering and services for hospitals and other health care facilities.

in million €	Q1 2007	Q1 2006 (incl. Pharmaplan)	Change
Sales	521	476	9%
EBITDA	49	43	14%
EBIT	36	30	20%
Net income	14	11	27%
Employees	28,268 (March 31, 2007)	28,615 (December 31, 2006)	-1%

- Strong operating results achieved
- Divestiture of Pharmaplan finalized, agreement signed to sell Pharmatec to Robert Bosch GmbH
- Outlook for 2007 fully confirmed

Fresenius ProServe's sales grew by 9 % to € 521 million in Q1 2007 (Q1 2006: € 476 million). Organic growth was 3 %. EBIT increased by 20 % to € 36 million (Q1 2006: € 30 million).

Sales in hospital operations (HELIOS Kliniken Group) increased by 15 % to € 439 million (Q1 2006: € 383 million). The sales growth is mainly attributable to the acquisition of HUMAINE Kliniken, which was consolidated as of July 1, 2006. HELIOS also achieved strong organic growth of 3 %. EBIT increased by 19 % to € 32 million, the EBIT margin was 7.3 % (Q1 2006: € 27 million and 7.0 %).

In 2007, HELIOS continued its growth strategy in the German hospital market. The company acquired two hospitals in North Rhine-Westphalia with approximately 330 beds and revenues of € 32 million in 2006. A further hospital was acquired on Lake Constance with 170 beds and revenues of € 22 million in 2005 and was consolidated as from January 1, 2007. In addition, the option to acquire the outstanding equity stake (40 %) in HUMAINE Kliniken GmbH was exercised.

Sales in the engineering and services business was € 82 million (Q1 2006: € 93 million). The decrease was due to the sale of Pharmaplan, which was deconsolidated as of January 1, 2007. Organic growth was 2 %. EBIT of € 5 million was at previous year's level. Order intake continued to develop very positively and increased by 18 % to € 78 million (Q1 2006: € 66 million). Order backlog was € 431 million (December 31, 2006: € 428 million).

On May 1, 2007, Fresenius ProServe agreed to sell its subsidiary Pharmatec to Robert Bosch GmbH. With the divestiture of Pharmaplan and Pharmatec, Fresenius ProServe completes its strategy to focus on its business with hospitals and other healthcare facilities. Pharmatec manufactures high quality pure steam, pure water and sterilization equipment for the pharmaceutical industry. In 2006, the company had sales of about € 30 million. The transaction requires antitrust approval. Fresenius ProServe anticipates the closing of the transaction mid-year 2007.

Fresenius ProServe confirms its outlook for the full year 2007 and expects organic sales growth of 2 to 3 %. EBIT is expected to increase to € 160 to 170 million.

## Conference Call

As part of the publication of the first quarter 2007 results, a conference call will be held on May 2, 2007 at 2.00 p.m. CEDT (8.00 a.m. EDT). We invite all investors to follow the conference call over the Internet at [www.fresenius-ag.com/InvestorRelations/Presentations](http://www.fresenius-ag.com/InvestorRelations/Presentations). Following the conference, a recording of the call will be available.

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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.

Location: 61352 Bad Homburg v.d.H.

Commercial Register: AG Bad Homburg v.d.H.; HRB 2617

Management Board:

Dr. Ulf M. Schneider (Chairman), Rainer Baule, Andreas Gaddum, Dr. Ben Lipps, Stephan Sturm

Chairman of the Supervisory Board: Dr. Gerd Krick



## Fresenius Group in Figures

### Consolidated statement of income (US GAAP) (unaudited)

in million €	Q1 2007	Q1 2006
Sales	2,767	2,388
Cost of goods sold	-1,879	-1,652
<b>Gross profit</b>	<b>888</b>	<b>736</b>
Selling, general and administrative expenses	-467	-410
Research and development expenses	-41	-35
<b>Operating income (EBIT)</b>	<b>380</b>	<b>291</b>
Net interest	-95	-84
<b>Earnings before income taxes and minority interest</b>	<b>285</b>	<b>207</b>
Income taxes	-103	-76
Minority interest	-89	-66
<b>Net income</b>	<b>93</b>	<b>65</b>
<b>Basic earnings per ordinary share (in €) *</b>	<b>0.60</b>	<b>0.43</b>
<b>Fully diluted earnings per ordinary share (in €) *</b>	<b>0.59</b>	<b>0.42</b>
<b>Basic earnings per preference share (in €) *</b>	<b>0.60</b>	<b>0.43</b>
<b>Fully diluted earnings per preference share (in €) *</b>	<b>0.59</b>	<b>0.42</b>

<b>Average number of shares *</b>		
Ordinary shares	77,226,469	76,177,833
Preference shares	77,226,469	76,177,833
<b>EBIT (in million €)</b>	<b>380</b>	<b>291</b>
<b>Depreciation and amortization (in million €)</b>	<b>99</b>	<b>86</b>
<b>EBITDA (in million €)</b>	<b>479</b>	<b>377</b>
<b>EBIT margin</b>	<b>13.7%</b>	<b>12.2%</b>
<b>EBITDA margin</b>	<b>17.3%</b>	<b>15.8%</b>

\* Previous year's numbers adjusted for share split

## Key figures of the balance sheet (US GAAP) (unaudited)

in million €	March 31, 2007	December 31, 2006	Change
<b>Assets</b>			
<b>Current assets</b>	<b>4,165</b>	<b>4,106</b>	<b>1%</b>
thereof trade accounts receivable	2,101	2,088	1%
thereof inventories	822	761	8%
thereof cash and cash equivalents	300	261	15%
<b>Non-current assets</b>	<b>10,994</b>	<b>10,918</b>	<b>1%</b>
thereof property, plant and equipment	2,744	2,712	1%
thereof goodwill and other intangible assets	7,720	7,655	1%
<b>Total assets</b>	<b>15,159</b>	<b>15,024</b>	<b>1%</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>	<b>9,286</b>	<b>9,296</b>	<b>0%</b>
thereof trade accounts payable	416	464	-10%
thereof accruals and other short-term liabilities	2,555	2,383	7%
thereof debt	5,778	5,872	-2%
<b>Minority interest</b>	<b>2,631</b>	<b>2,560</b>	<b>3%</b>
<b>Shareholders' equity</b>	<b>3,242</b>	<b>3,168</b>	<b>2%</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,159</b>	<b>15,024</b>	<b>1%</b>

## Cash flow statement (US-GAAP) (unaudited)

in million €	Q1 2007	Q1 2006	Change
Net income before minority interest	182	131	39%
Depreciation and amortization	99	86	15%
Change in accruals for pensions	3	1	-
<b>Cash flow</b>	<b>284</b>	<b>218</b>	<b>30%</b>
Change in working capital	3	-32	-
<b>Operating cash flow</b>	<b>287</b>	<b>186</b>	<b>54%</b>
Capital expenditure, net	-132	-95	-39%
<b>Cash flow before acquisitions and dividends</b>	<b>155</b>	<b>91</b>	<b>70%</b>
Cash used for acquisitions, net	-63	-3,290	-
Dividends paid	-4	0	-
<b>Free cash flow after acquisitions and dividends</b>	<b>88</b>	<b>-3,199</b>	<b>-</b>
Cash provided by/used for financing activities	-47	3,403	-
Effect of exchange rates on change in cash and cash equivalents	-2	-8	75%
<b>Net increase in cash and cash equivalents</b>	<b>39</b>	<b>196</b>	<b>-80%</b>

## Segment reporting by business segment Q1 2007 (US GAAP) (unaudited)

in million €	Fresenius Medical Care			Fresenius Kabi			Fresenius ProServe			Corporate/Other			Fresenius Group		
	Q1 2007	Q1 2006	Change	Q1 2007	Q1 2006	Change	Q1 2007	Q1 2006	Change	Q1 2007	Q1 2006	Change	Q1 2007	Q1 2006	Change
<b>Sales</b>	1,771	1,453	22%	483	466	4%	521	476	9%	-8	-7	-14%	2,767	2,388	16%
thereof contribution to consolidated sales	1,771	1,453	22%	472	457	3%	520	475	9%	4	3	33%	2,767	2,388	16%
thereof intercompany sales	0	0	0%	11	9	22%	1	1	0%	-12	-10	-20%	0	0	
contribution to consolidated sales	64%	61%		17%	19%		19%	20%		0%	0%		100%	100%	
<b>EBITDA</b>	343	254	35%	96	87	10%	49	43	14%	-9	-7	-29%	479	377	27%
<b>Depreciation and amortization</b>	65	51	27%	19	19	0%	13	13	0%	2	3	-33%	99	86	15%
<b>EBIT</b>	278	203	37%	77	68	13%	36	30	20%	-11	-10	-10%	380	291	31%
<b>Net interest</b>	-72	-47	-53%	-12	-26	54%	-11	-10	-10%	0	-1	100%	-95	-84	-13%
<b>Net income</b>	122	97	26%	42	26	62%	14	11	27%	-85	-69	-23%	93	65	43%
<b>Operating cash flow</b>	216	135	60%	19	28	-32%	62	37	68%	-10	-14	29%	287	186	54%
<b>Cash flow before acquisitions and dividends</b>	133	81	64%	-11	10	--	43	16	169%	-10	-16	38%	155	91	70%
<b>Debt<sup>1)</sup></b>	4,182	4,236	-1%	899	880	2%	875	932	-6%	-178	-176	-1%	5,778	5,872	-2%
<b>Total assets<sup>1)</sup></b>	9,949	9,905	0%	2,004	1,965	2%	3,091	3,108	-1%	115	46	150%	15,159	15,024	1%
<b>Capital expenditure</b>	89	58	53%	20	18	11%	31	21	48%	0	3	-100%	140	100	40%
<b>Acquisitions</b>	71	3,285	-98%	0	5	-100%	75	--	--	9	0	--	155	3,290	-95%
<b>Research and development expenses</b>	10	10	0%	19	15	27%	0	--	--	12	10	20%	41	35	17%
<b>Employees (per capita on balance sheet date)<sup>1)</sup></b>	62,262	59,996	4%	16,147	15,591	4%	28,268	28,615	-1%	671	670	0%	107,348	104,872	2%
<b>Key figures</b>															
EBITDA margin	19.4%	17.5%		19.9%	18.7%		9.4%	9.0%					17.3%	15.8%	
EBIT margin	15.7%	14.0%		15.9%	14.6%		6.9%	6.3%					13.7%	12.2%	
ROA <sup>1)</sup>	11.7%	11.3% <sup>2)</sup>		17.7%	17.3%		5.5%	6.9%					10.9%	10.4% <sup>2)</sup>	
Depreciation and amortization as % of sales	3.7%	3.5%		3.9%	4.1%		2.5%	2.7%					3.6%	3.6%	

<sup>1)</sup> 2006: December 31

<sup>2)</sup> Calculation is based on the pro forma EBIT which does not include the gain on the sale of Fresenius Medical Care dialysis clinics