



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 2007 Results; Outlook Now Confirmed at Upper End

Summary Third Quarter 2007:

Net revenue	\$ 2,426 million	+ 9%
Operating income (EBIT)	\$ 397 million	+ 14%
Net income	\$ 181 million	+ 30%
Earnings per share	\$ 0.61	+ 29%

Summary First Nine Months 2007:

Net revenue	\$ 7,151 million	+ 16%
Operating income (EBIT)	\$ 1,152 million	+ 19%
Net income	\$ 520 million	+ 35%
Earnings per share	\$ 1.76	+ 34%

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 nine months of 2007.

Third Quarter 2007:

Revenue

Net revenue for the third quarter 2007 increased by 9% to \$2,426 million (6% at constant currency) compared to the third quarter 2006. Organic revenue growth worldwide was 6%. Dialysis Services revenue grew by 6% to \$1,801 million (4% at constant currency) in the third quarter of 2007. Dialysis Product revenue increased by 18% to \$625 million (12% at constant currency) in the same period.

North America revenue increased by 3% to \$1,660 million. Dialysis Services revenue grew by 1% to \$1,494 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 increased by 1% to \$327 in the third quarter 2007 compared to \$324 for the same quarter in 2006. Dialysis Product revenue increased by 18% to \$167 million led by strong sales of our 2008K hemodialysis machines and the phosphate binding drug PhosLo.

International revenue was \$766 million, an increase of 23% (14% at constant currency) compared to the third quarter of 2006. Dialysis Services revenue reached \$307 million, an increase of 32% (23% at constant currency). Dialysis Product revenue rose by 18% to \$459 million (9% at constant currency), led by strong sales of hemodialysis machines, peritoneal dialysis products and dialyzers.

Earnings

Operating income (EBIT) increased by 14% to \$397 million compared to \$349 million in the third quarter 2006. Operating income for the third quarter 2006 includes costs of \$7 million related to costs of restructuring and a gain of \$1 million from the divestiture of dialysis clinics in conjunction with the acquisition of Renal Care Group. Excluding these effects, operating income for the third quarter 2007 increased by 12%, resulting in an operating margin of 16.4%. For the third quarter 2006 the operating margin was 15.9%.

Operating income (EBIT) before one-time items	2007	2006	Growth
Three months ended September 30, (in US-\$ million)			
Operating income (EBIT)	397	349	+ 14%
Cost of restructuring	-	7	
Gain from divestiture	-	(1)	
Operating income (EBIT) before one-time items	397	355	+ 12%

In North America, the operating margin increased from 16.3% (excluding the effects of one-time items) by 70 basis points to 17.0% due to revenue rate improvements, the new PhosLo business and higher product sales which more than offset higher personnel expenses. In the International segment, the operating margin decreased by 60 basis points to 17.6% mainly due to higher growth in the emerging markets and the effect of returning to normal plant maintenance from the shortened schedule in the prior year.

Net interest expense for the third quarter 2007 was \$95 million compared to \$100 million in the same quarter of 2006. This positive development was mainly attributable to a lower debt level in combination with lower average interest rates and the recognition of interest income related to the collection of overdue receivables. Interest expense was impacted by \$5 million (\$3 million, net after taxes) as a result of the write-off of deferred financing costs related to the re-

payment of a portion of the Company's senior credit agreement in connection with the issuance of \$500 million senior notes.

Income tax expense was \$115 million for the third quarter of 2007 compared to \$105 million in the third quarter of 2006, reflecting effective **tax rates** of 38.0% and 42.3%, respectively. In the third quarter 2006, the tax rate had been impacted by a tax audit in Germany. Excluding this impact, the tax rate was at 39.1%.

Net income for the third quarter 2007 was \$181 million, an increase of 30%. Net income increased by 27% when compared to the third quarter 2006 excluding the effects of one-time items in 2006.

Net income before one-time items	2007	2006	Growth
Three months ended September 30, (in US-\$ million)			
Net income	181	139	+ 30%
Cost of restructuring	-	5	
Gain from divestiture	-	(1)	
Net income before one-time items	181	143	+ 27%

Earnings per share (EPS) for the third quarter of 2007 rose by 29% to \$0.61 per ordinary share compared to \$0.47 for the third quarter of 2006. The weighted average number of shares outstanding for the third quarter of 2007 was approximately 295.8 million shares compared to 294.5 million shares for the third quarter of 2006. The increase in shares outstanding resulted from stock option exercises in 2006 and in the first nine months of 2007.

Cash Flow

In the third quarter of 2007, the Company generated \$382 million in **cash from operations**, representing approximately 16% of revenue. The strong cash flow generation was primarily supported by earnings and reduction of working capital.

A total of \$123 million was spent for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** was \$259 million compared to \$40 million in the third quarter of 2006 on a reported basis. A total of \$24 million in cash was used for **acquisitions**, net of divestitures. **Free Cash Flow after acquisitions** was \$235 million compared to \$32 million in the third quarter of 2006.

Nine Months Ended September 30, 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 first nine months are not directly comparable with the results of the first nine months for 2006.

Revenue and Earnings

Net revenue for the nine months ended September 30, 2007 was \$7,151 million, up 16% from the same period in 2006. At constant currency, net revenue rose by 14%. Organic growth was 7% in the first nine months of 2007.

Operating income (EBIT) increased by 19% to \$1,152 million compared to \$964 million in the first nine months of 2006. Operating income for the nine months ended September 30, 2006 includes costs of \$12 million as a result of restructuring and the transformation of the Company's legal form, and a gain from the clinic divestitures of \$40 million.

Excluding these items, operating income for the nine months 2007 increased by 23%. This performance resulted in an operating margin of 16.1% compared to 15.2% in the same period of 2006.

Operating income (EBIT) before one-time items	2007	2006	Growth
Nine months ended September 30, (in US-\$ million)			
Operating income (EBIT)	1,152	964	+ 19%
Cost of restructuring and transformation	-	12	
Gain from divestiture	-	(40)	
Operating income (EBIT) before one-time items	1,152	936	+ 23%

Net interest expense for the nine months ended September 30, 2007 was \$281 million compared to \$255 million in the same period of 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 \$331 million for the nine months compared to \$314 million in the same period in 2006, reflecting **tax rates** of 38.0% and 44.3%, respectively. The tax rate for the first nine months of 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 the first nine months 2006 was at 40.3%.

For the nine months ended September 30, 2007, **net income** was \$520 million, up 35% from the same period in 2006. Net income for the nine months of 2007 increased by 28% compared to the same period 2006 excluding the effects of one-time items in 2006.

Net income before one-time items	2007	2006	Growth
Nine months ended September 30, (in US-\$ million)			
Net income	520	385	+ 35%
Cost of restructuring and transformation	-	7	
Write-off FME prepaid financing fees		9	
Loss from divestiture	-	4	
Net income before one-time items	520	405	+ 28%

For the nine months ended September 30, 2007, **earnings per ordinary share** rose by 34% to \$1.76. The weighted average number of shares outstanding during the nine months 2007 was approximately 295.4 million.

Cash Flow

Cash from operations for the first nine months of 2007 was \$890 million compared to \$465 million for the same period in 2006 on a reported basis. Excluding the effects of one-time items, cash from operations was \$663 million for nine months of 2006. The increase compared to prior year was mainly due to increased earnings and a reduction in working capital.

A total of \$364 million was used for **capital expenditures**, net of disposals. **Free Cash Flow before acquisitions** for the nine months of 2007 was \$526 million compared to \$192 million in same period in 2006. The underlying Free Cash Flow before acquisitions and the effects of one-time items for the first nine months of 2006 was \$390 million. A total of \$110 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 2007.

Patients – Clinics – Treatments

As of September 30, 2007, Fresenius Medical Care treated 172,227 **patients** worldwide, which represents a 7% increase in patients compared to last year. North America provided dialysis treatments for 120,607 patients, an increase of 3%. Including 33 clinics managed by Fresenius Medical Care North America, the number of patients in North America was 122,479. The International segment served 51,620 patients, an increase of 16% over last year.

As of September 30, 2007, the Company operated a total of 2,221 **clinics** worldwide. This is comprised of 1,591 clinics in North America, an increase of 3%, and 630 clinics in the International segment, an increase of 16%.

Fresenius Medical Care delivered approximately 19.6 million dialysis **treatments** worldwide during the first nine months of 2007. This represents an increase of 13% year over year. North America accounted for 13.7 million treat-

ments, an increase of 11%, and the International segment delivered 5.9 million treatments, an increase of 16% over last year.

Employees

As of September 30, 2007, Fresenius Medical Care had 60,625 employees (full-time equivalents) worldwide compared to 56,803 employees at the end of 2006. The increase of 3,822 employees is primarily due to acquisitions in Asia and continued organic growth in the U.S.

Debt/EBITDA Ratio

The ratio of debt to Earnings before Interest, Taxes and Amortization (EBITDA) decreased from 3.44 at the end of the third quarter of 2006 to 2.88 at the end of the third quarter 2007. At the end of 2006, the debt/EBITDA ratio was 3.23.

Rating

There have been no ratings changes in the third 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.

Issuance of 10 Year Senior Notes

At the beginning of the third quarter 2007, Fresenius Medical Care issued Senior Notes due 2017 in the amount of \$500 million. The coupon is 6 7/8%. Proceeds were used to reduce indebtedness under the Company's senior secured bank credit facility and other, short-term debt.

Outlook for 2007 Confirmed

The Company confirms its outlook for the full year 2007 and expects to achieve **revenue** of more than \$9.5 billion. This represents an increase of at least 12%.

Net income was projected to be in the range of \$685 million to \$705 million in 2007. Based on the strong performance in the third quarter, the Company now expects the net income to be at the upper end of this guidance.

In addition, the Company still expects **spending on capital expenditures** and **acquisitions** to be approximately \$650 million in 2007. The **debt/EBITDA ratio** is projected to be below 3.0 by the end of 2007.

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: "Third quarter performance continues the strong trend of this year and was clearly outstanding considering the temporary US regulatory challenges. The North American segment achieved operating margins at the high end of its target. The International segment continues its strong double-digit revenue growth even during the Summer Quarter. We continued to grow above market in our product business on a worldwide basis. Cash flow from operations was very strong and clearly ahead of our expectations. We are clearly on track to achieve our targets for the current year and for 2010."

Video Webcast

Fresenius Medical Care will hold a press conference at its headquarters in Bad Homburg, Germany, to discuss the results of the third quarter and the first nine months of 2007 on October 31, 2007, at 10:00 am CET. The Company cordially invites journalists to view the live video webcast of the meeting 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 1,500,000 individuals worldwide. Through its network of 2,221 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatment to 172,227 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 September 30,		% Change
	2007	2006	
Net revenue			
Dialysis Care	1,800,771	1,703,866	5.7%
Dialysis Products	625,371	530,459	17.9%
Total net revenue	2,426,142	2,234,325	8.6%
Cost of revenue	1,588,201	1,483,561	7.1%
Gross profit	837,941	750,764	11.6%
Selling, general and administrative	425,590	391,403	8.7%
Gain on sale of dialysis clinics	-	(1,258)	
Research and development	15,639	11,814	32.4%
Operating income (EBIT)	396,712	348,805	13.7%
Interest expense, net	94,833	99,574	-4.8%
Earnings before income taxes and minority interest	301,879	249,231	21.1%
Income tax expense	114,750	105,357	8.9%
Minority interest	6,371	4,685	
Net income	180,758	139,189	29.9%
Operating income (EBIT)	396,712	348,805	13.7%
Depreciation and amortization	89,368	79,416	12.5%
EBITDA	486,080	428,221	13.5%
Earnings per Ordinary share	\$0.61	\$0.47	29.3%
Earnings per Ordinary ADS	\$0.61	\$0.47	29.3%
Weighted average number of shares			
Ordinary shares	292,062,414	290,888,289	
Preference shares	3,747,548	3,650,988	

Fresenius Medical Care Statement of Earnings

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

	Nine Months Ended September 30,		% Change
	2007	2006	
Net revenue			
Dialysis Care	5,356,669	4,628,064	15.7%
Dialysis Products	1,794,357	1,518,623	18.2%
Total net revenue	7,151,026	6,146,687	16.3%
Cost of revenue	4,691,347	4,088,588	14.7%
Gross profit	2,459,679	2,058,099	19.5%
Selling, general and administrative	1,263,681	1,096,561	15.2%
Gain on sale of dialysis clinics	-	(40,233)	
Research and development	43,546	37,347	16.6%
Operating income (EBIT)	1,152,452	964,424	19.5%
Interest expense, net	281,319	255,070	10.3%
Earnings before income taxes and minority interest	871,133	709,354	22.8%
Income tax expense	331,097	314,401	5.3%
Minority interest	20,320	10,231	
Net income	519,716	384,722	35.1%
Operating income (EBIT)	1,152,452	964,424	19.5%
Depreciation and amortization	259,861	221,258	17.4%
EBITDA	1,412,313	1,185,682	19.1%
Earnings per Ordinary share	\$1.76	\$1.31	34.4%
Earnings per Ordinary ADS	\$1.76	\$1.31	34.4%
Weighted average number of shares			
Ordinary shares	291,721,451	290,367,524	
Preference shares	3,728,265	3,548,433	
Employees			
Full-time equivalents (Sep. 30 compared to Dec. 31)	60,625	56,803	