

# THIS ANNOUNCEMENT IS NOT FOR PUBLICATION / DISTRIBUTION INTO THE UNITED STATES OR ITALY

The Tender Offer is restricted by law, including the laws of the US, Italy, the United Kingdom and France, as described below.



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## Fresenius Investor News

This announcement does not constitute, or form part of, any solicitation of any offer or invitation to sell any securities or any offer of securities, in any jurisdiction nor shall it (or any part of it), or the fact of its distribution, form the basis of or be relied on in connection with any contract therefore. No indications of interest in the solicitation of offers to sell or to subscribe for securities are sought by this announcement. The Tender Offer is not made to, and any offers will not be accepted from, or on behalf of, holders of Notes in any jurisdiction in which the making of the Tender Offer will not be in compliance with the laws or regulations of such jurisdiction. Persons into whose possession this announcement or the Tender Offer Memorandum comes are required to inform themselves about, and to observe, any such restrictions. In respect of the New Issue (as defined hereafter), this announcement is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (the "Directive").

### Fresenius AG Announces Debt Tender Offer

Fresenius Finance B.V., a subsidiary of Fresenius AG ("Fresenius") is commencing a cash tender offer (the "Tender Offer") for its €300 million 7.75% Series A Senior Notes due 2009 (the "Notes", ISINs XS0167402840 and XS0167402501, which are listed on the Luxembourg Stock Exchange).

**The purpose of the Tender Offer is to acquire any or all of the outstanding Notes (excluding U.S. holders and holders resident in Italy) in order to optimize Fresenius' debt service profile. The Tender Offer will be funded with a portion of the proceeds of a proposed new issue of €1 billion Senior Notes (the "New Issue"), which is expected to be executed concurrently.**

Fresenius expects to complete the New Issue before the end of January, subject to market conditions. The net proceeds from the New Issue, along with the proceeds from our recent capital increase, finance the acquisition of HELIOS Kliniken GmbH and the proposed repurchase of the Notes and will be used for general corporate purposes.

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Fresenius hereby invites all holders of the Notes, subject to offer restrictions (the "Noteholders"), to submit offers to sell any or all of such Notes held by them, in exchange for a cash payment (the "Tender Consideration"). The Tender Consideration will comprise the Tender Price plus Accrued Interest. The Tender Offer is subject to the terms as described in the Tender Offer Memorandum dated 3 January 2006, which provides a full description of the Tender Offer.

The Tender Price will be calculated based on a spread of 0.50% over the Reference Bond Yield. For the purposes of the Tender Offer, the Reference Bond will be the DBR 6.25% due 26 April 2006 (ISIN DE0001135010). A pricing example is illustrated below:

Note Designation	Securities Codes	Earliest Redemption Date	Earliest Redemption Price	Fixed Spread	Reference Bond Yield	Illustrative Tender Price <sup>1)</sup>
€300,000,000 7¼% Series A Senior Notes due 2009 <sup>2)</sup>	ISIN: XS0167402840, XS0167402501 Common Code: 016740284, 016740250	30 April 2006	€1,038.75	0.50%	2.489 %	€1,051.41

<sup>1)</sup> Based on adding the Fixed Spread to the Reference Bond Yield quoted as of 3 January 2006 for regular way settlement and converted to a price based on settlement on the Tender Settlement Date referred to in "Timetable" (excluding Accrued Interest).

<sup>2)</sup> Issued on 24 April 2003 and guaranteed on a senior unsecured basis by Fresenius AG, Fresenius Kabi AG, and Fresenius ProServe GmbH.

**The Tender Offer will close at 15:00 London/16:00 CET on 12 January 2006, unless otherwise extended. Pricing for the Tender Offer is expected to occur on or around 10:00 London/11:00 CET on 13 January 2006.**

The Tender Offer will be executed electronically via the Clearing Systems. The settlement of the Tender Offer is subject to the successful execution of the New Issue. Fresenius may cancel or amend the Tender Offer at its sole discretion. Any such amendment would be announced through the Clearing Systems and on the Luxembourg Stock Exchange website. Capitalized terms used in this announcement shall have the meanings ascribed to them in the Tender Offer Memorandum, unless otherwise defined herein. Copies of the Tender Offer Memorandum are available from the Tender Agent or the Dealer Managers.

The anticipated transaction timetable is summarized below (all dates and times are subject to amendment or extension):

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Event/Date	Time and Date
<b>Commencement of the Tender Offer</b>	4 January 2006
<b>Notice of the Tender Offer published on the LSE website</b>	4 January 2006
<b>Revocation Deadline</b> Last date and time by which Electronic Withdrawal Instructions must be received by the Tender Agent	12:00 hours CET on 12 January 2006
<b>Expiration Time</b> Deadline for receipt by Tender Agent of Electronic Tender Instructions	16:00 hours CET on 12 January 2006
<b>Pricing Date and Time</b> Determination of the Reference Bond Yield to maturity of the Reference Bond, the Tender Price, the Accrued Interest and the Tender Consideration	at or around 11:00 hours CET on 13 January 2006
<b>Announcements</b> Announcement of the Tender Price, Tender Consideration and the final aggregate principal amount of Notes tendered and accepted for purchase	13 January 2006
<b>Tender Settlement Date</b>	20 January 2006

Credit Suisse First Boston (Europe) Limited and Morgan Stanley & Co. International Limited have been mandated as Joint Book-Running Lead Managers and Dresdner Bank AG London Branch as Joint Lead Manager for the New Issue.

## Company Information:

Fresenius is a health care group with international operations, providing products and services for dialysis, hospital and the ambulatory medical care of patients. In 2004, sales were €7.27 billion. On December 31, 2004 the Fresenius Group had 68,494 employees worldwide.

## Dealer Managers:

### Credit Suisse First Boston

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E-mail: paul.hawker@csfb.com

### Morgan Stanley

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E-mail: liabilitymanagementeuropa@morganstanley.com

### Dresdner Bank Aktiengesellschaft

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E-mail: liability.management@drkw.com

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## **The Tender Agents:**

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## **Disclaimer**

This announcement must be read in conjunction with the Tender Offer Memorandum which has been prepared by Fresenius Finance B.V. in relation to the Tender Offer. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made to participate in the Tender Offer. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if they wish to participate in the Tender Offer. The distribution of this announcement in certain jurisdictions (in particular the United States, the United Kingdom, Italy and France) may be restricted by law (as further described below). Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. No action has been or will be taken in any jurisdiction by Fresenius Finance B.V., the Dealer Managers or the Tender Agent that would permit a public offer in any jurisdiction other than Luxembourg.

## **Offer Restrictions**

This announcement does not constitute an invitation to participate in the Tender Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws.

## **United States**

This Tender Offer is not being made and will not be made directly or indirectly in, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (the "United States") or to U.S. Persons as defined in Regulation S of the United States Securities Act of 1933, as amended (the "Securities Act") (each a "U.S. Person"). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the Internet. Accordingly, copies of this announcement, the Tender Offer Memorandum and any documents or materials related to the Tender Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded in or into the United States or to any U.S. Person. Any purported offer to sell in response to the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid, and offers to sell made by a resident of the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. Person will not be accepted.

## **United Kingdom**

This announcement, the Tender Offer Memorandum and any other offer material relating to the Tender Offer are for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 43 of the Financial Promotion Order (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iv) are outside the United Kingdom, or (v) are persons to whom this Tender Offer Memorandum and such other offer material can otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Tender Offer Memorandum and such other offer material are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Tender Offer Memorandum or such other offer material relates is available only to relevant persons and will be engaged in only with relevant persons.

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## **France**

This announcement, the Tender Offer Memorandum or any related documents are not being distributed in the context of a public offer in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (Code monétaire et financier), and thus neither this announcement nor the Tender Offer Memorandum has been or will be submitted to the Autorité des Marchés Financiers for approval in France and accordingly may not and will not be distributed to the public in France. The Tender Offer is not being made and will not be made to the public in France except to (i) qualified investors (investisseurs qualifiés) and/or a restricted group of investors (cercle restreint d'investisseurs), in each case, acting for their own account, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-2 of the French Monetary and Financial Code and/or (ii) persons providing portfolio management investment services acting for third parties.

## **Italy**

The Tender Offer is not being made, directly or indirectly, in the Republic of Italy and has not been submitted to the clearance procedure of the Commissione Nazionale per le società e la Borsa (CONSOB) or the Bank of Italy pursuant to applicable Italian laws and regulations **nor is it being carried out under any available exemption to the solicitation to the public requirement under applicable Italian laws and regulations.** Accordingly, Noteholders are hereby notified that, to the extent such holders are Italian residents or persons located in the Republic of Italy, the Tender Offer is not available to them and they may not tender Notes and, as such, any offers to sell received from such persons shall be ineffective and void. Neither this announcement, the Tender Offer Memorandum nor any other offering material relating to the Tender Offer may be distributed or made available in the Republic of Italy.

## **General**

The Dealer Managers and the Tender Agent (or their directors, employees or affiliates) make no representations or recommendations whatsoever regarding this announcement, the Tender Offer Memorandum or the Tender Offer. The Tender Agent is the agent of Fresenius and owes no duty to any Noteholder.