



Fresenius Medical Care

The World's Leading Renal Therapy Company



Analyst Meeting, October 31, 2006

Safe Harbor Statement

This presentation includes certain forward-looking statements. Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties, including changes in business, economic 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 the Company's reports filed with the Securities and Exchange Commission and the German Exchange Commission "Deutsche Börse".



Agenda

I. Business Update



II. Financials Q3 / 9M 2006

III. Q&A Session



Business Update



Excellent performance – Q3 2006



Revenue	\$ 2,234 m	+ 30% 29% cc
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Net income (excluding one-time items and SFAS 123R)	\$ 145 m	+ 21%
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- Results are driven by
 - further improvements in global Service business
 - a successful integration of Renal Care Group
 - record global Product sales
- Net income growth shows further momentum

cc = constant currency

Achievements – Q3 2006

Excellent performance in key metrics

- Excellent organic revenue growth of 10%
- Continued positive revenue per treatment development worldwide
- Leading quality – best patient outcomes
- Increased operating margin (EBIT)¹⁾ by 180 basis points
- Extremely solid operating cash flow generation
- Net income increase of 21%¹⁾



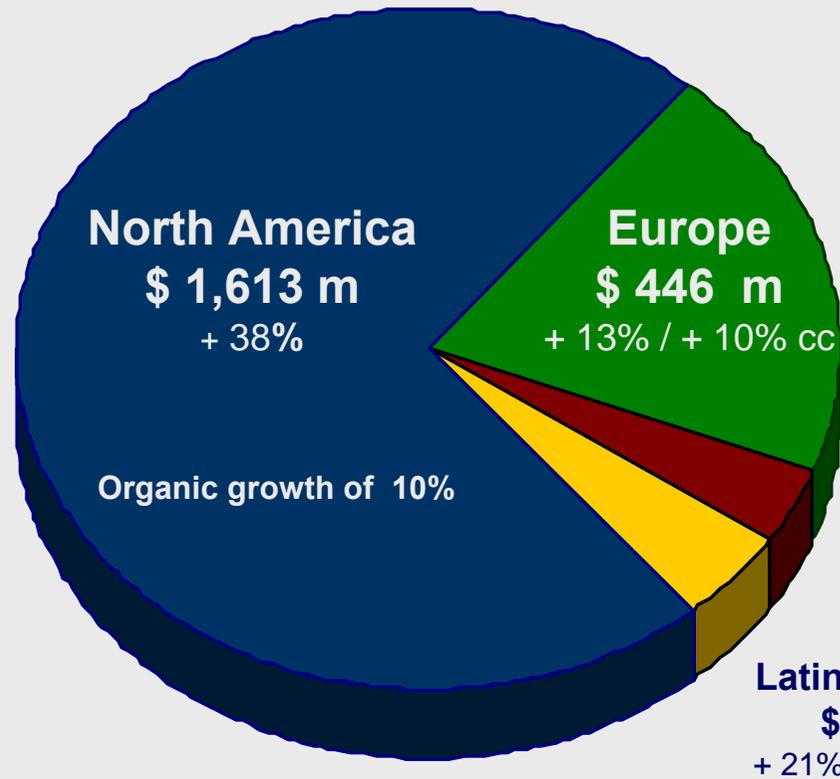
Upgrading full year guidance

¹⁾ on a comparable basis excl. one-time items and accounting change SFAS 123R



Very strong revenue growth in all regions in Q3 2006

Total revenue increased 30% to \$ 2,234 m *



In % of total revenue:

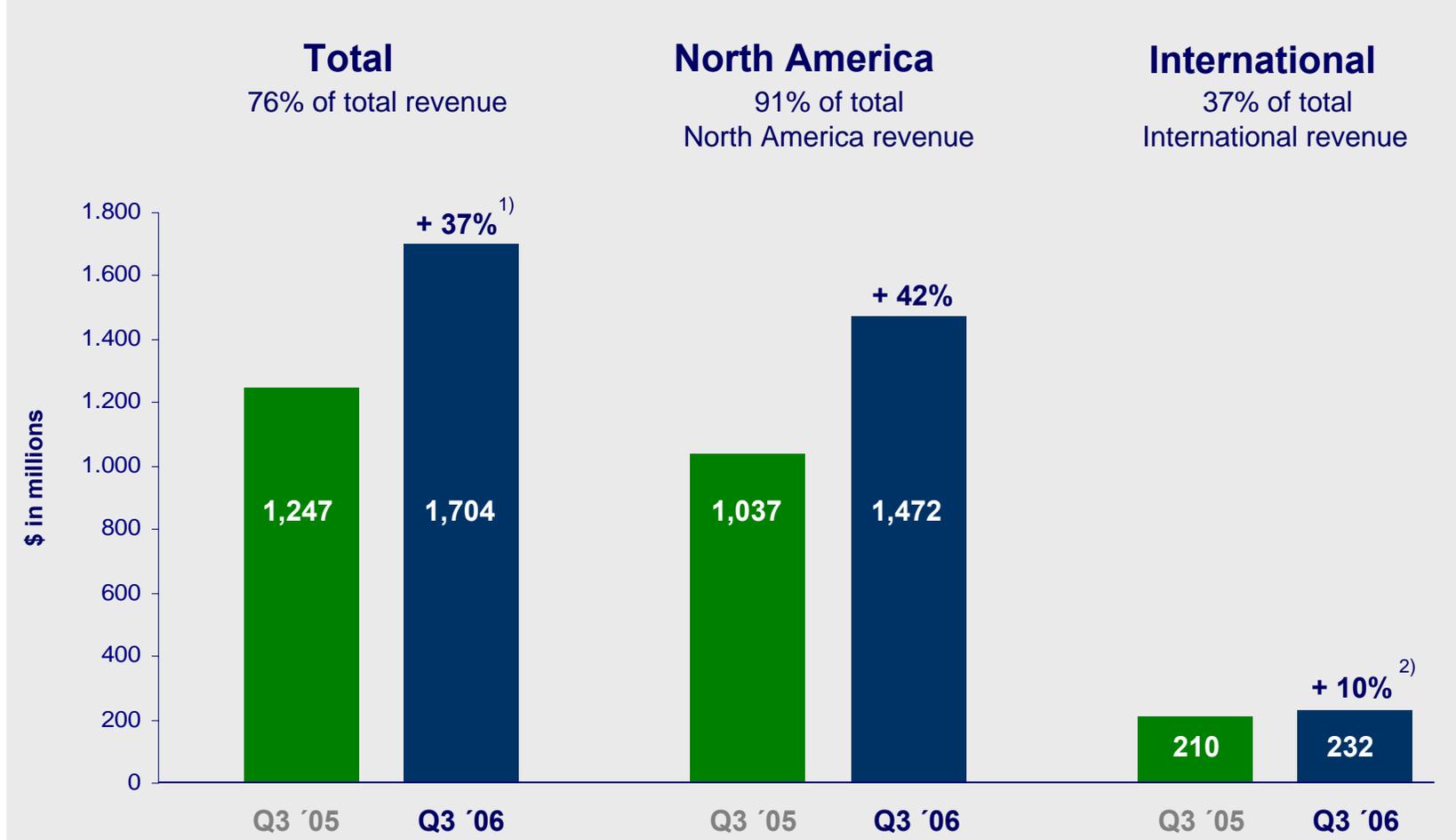
North America	72%
Europe	20%
Asia-Pacific	4%
Latin America	4%

* 29% growth at constant currency (cc)



Global Dialysis Services Q3 2006

Excellent performance – net revenue increased 37%



¹⁾ 36% growth at constant currency

²⁾ 9% growth at constant currency



Global Dialysis Services Q3 2006

Outstanding strong organic revenue growth of 10%

	Total	North America	International
Organic revenue growth	+ 10%^{cc}	+ 10%	+ 10%^{cc}
Same-market treatment growth	+ 3.5%	+ 1.8%	+ 7.1%
Revenue per treatment	\$ 273	\$ 321	\$ 132
Growth	+7% ^{occ} ¹⁾	+ 9%	+ 1% ^{occ}
Treatments (in million)	6.3	4.5	1.8
Growth	+24%	+ 31%	+ 8%

¹⁾ Excluding the effect of segment mix changes
cc = constant currency



Global Dialysis Services – Quality outcomes Q3 2006

Excellent clinical performance

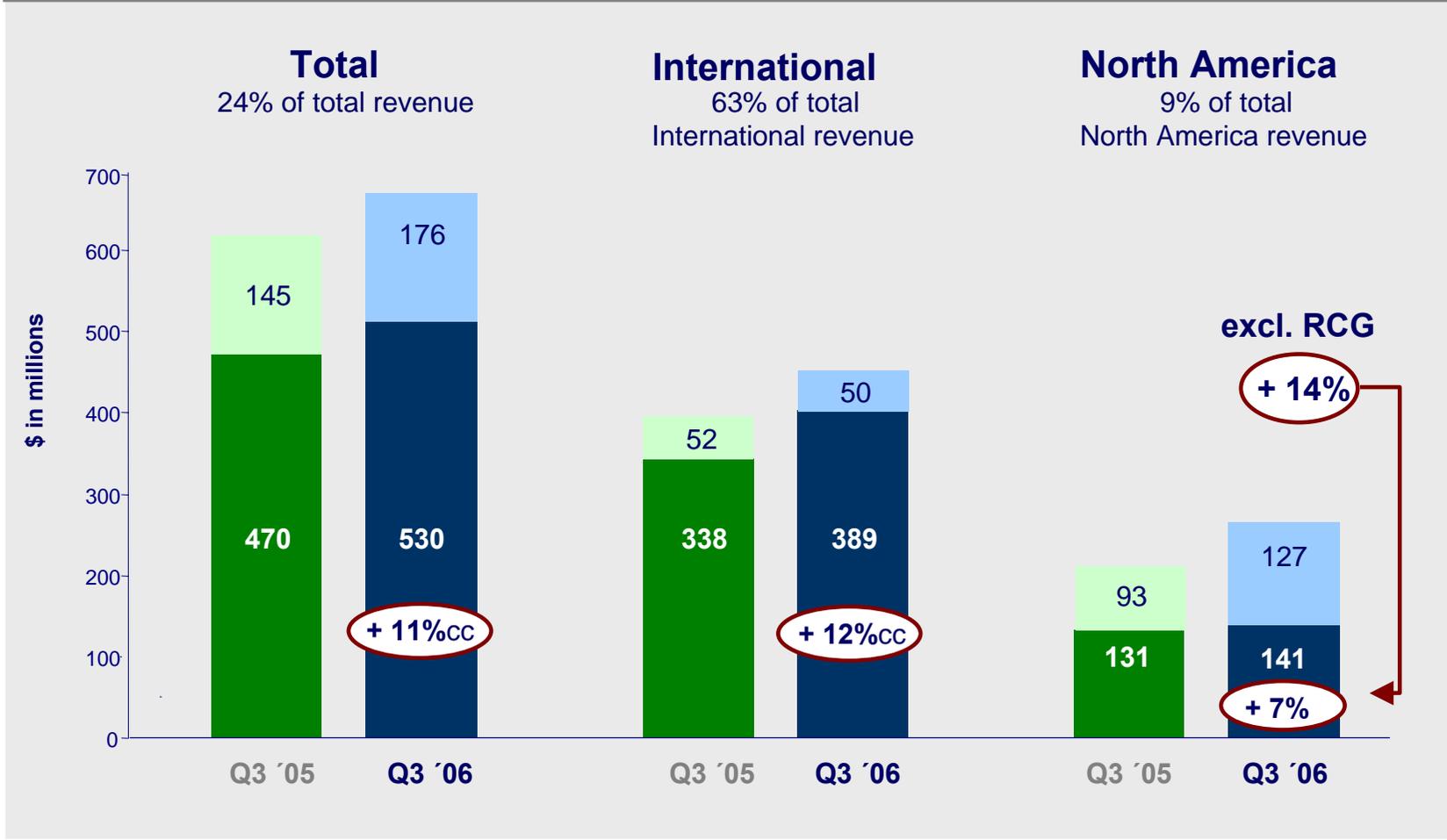
Dialysis adequacy (% of all FME patients)

North America			Europe		
	<u>Q3 2006</u>	<u>Q3 2005</u>		<u>Q3 2006</u>	<u>Q3 2005</u>
Kt/V \geq 1.2	95%	94%	Kt/V \geq 1.2	93%	93%
Hemoglobin \geq 11 g/dl	81%	80%	Hemoglobin \geq 11 g/dl	68%	63%
Albumin \geq 3.5 g/dl	80%	79%	Albumin \geq 3.5 g/dl	87%	86%
Hospitalization days	11.5	12.0	Hospitalization days	7.5	8.0



Global Dialysis Products Q3 2006

Outstanding performance – total revenue increased 11% cc



cc = constant currency

External Sales

Internal Sales

North America – Highlights Q3 2006

Products – Exceptional external sales increased 14%* year over year*

- Excellent demand for HD machines (2008K) + 42% (units)
- Single-use growing further in the independent market
 - 38% in 2003 to 60% in Q3 2006

Services – Strong financial performance with revenue up 42%

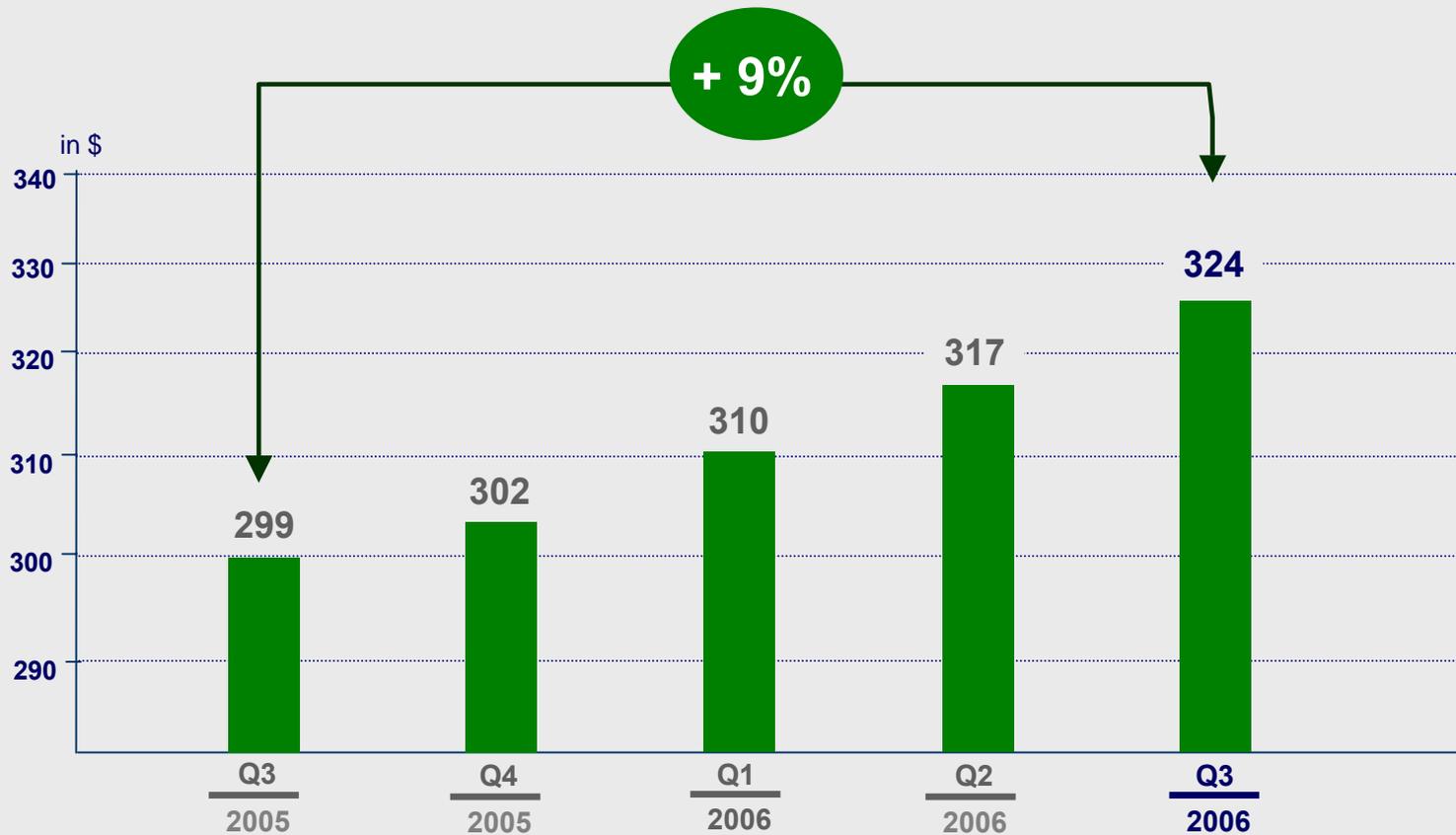
- Integration of RCG proceeding well
- Strong organic revenue growth of + 10%

* Growth rate adjusted for the effect of the RCG acquisition and divestitures



United States – Dialysis Services Q3 2006

Very positive revenue per treatment



International – Highlights Q3 2006

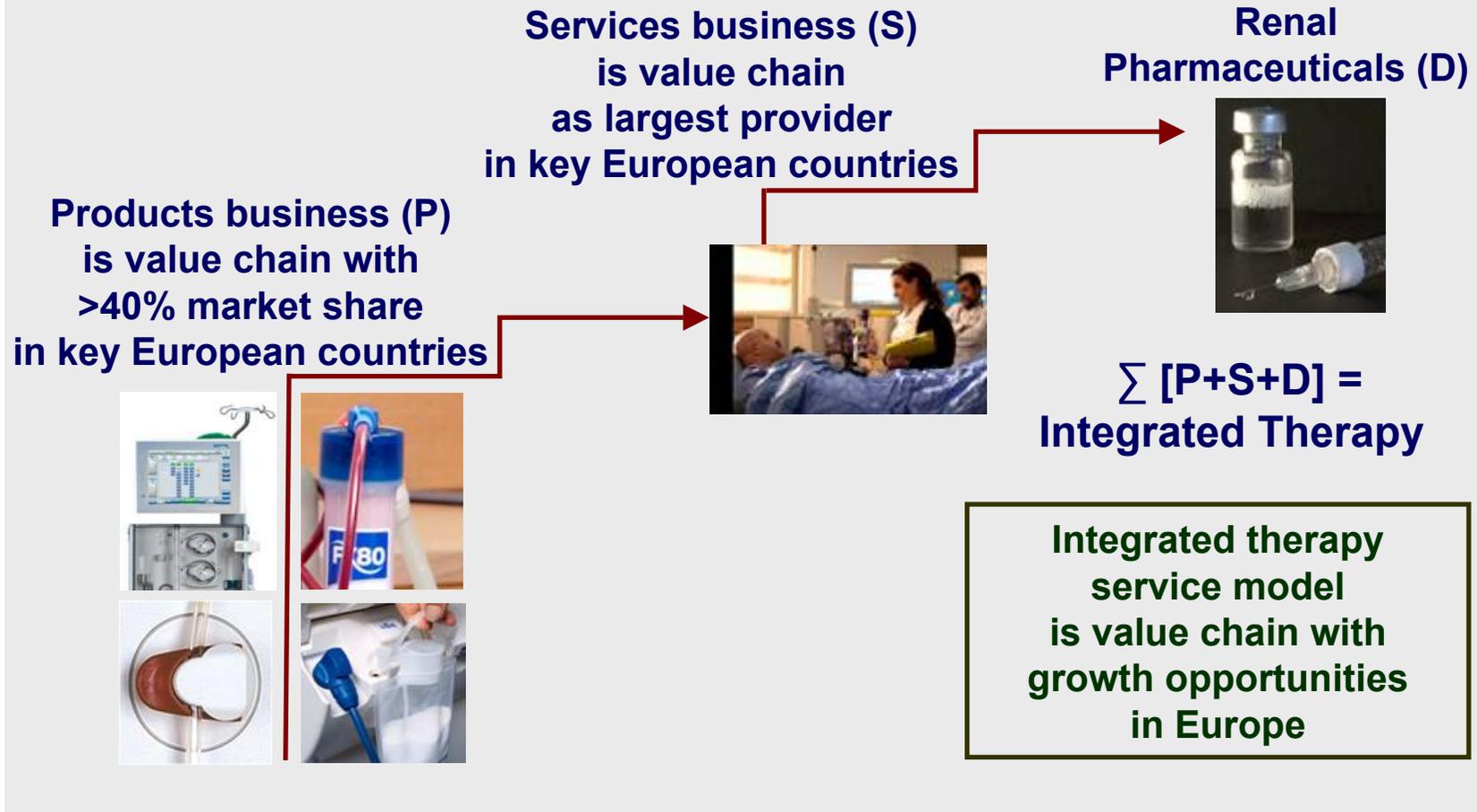
Europe and Latin America

- Machine growth of + 18% compared to Q3 2005
- Excellent demand for the 5008 machine
- Privatization opportunities Eastern Europe (e.g. Poland)
- First contracts signed for operating dialysis centres in Russia
- Latin America – Performance above expectation
 - Favorable reimbursement adjustments in Venezuela and Argentina

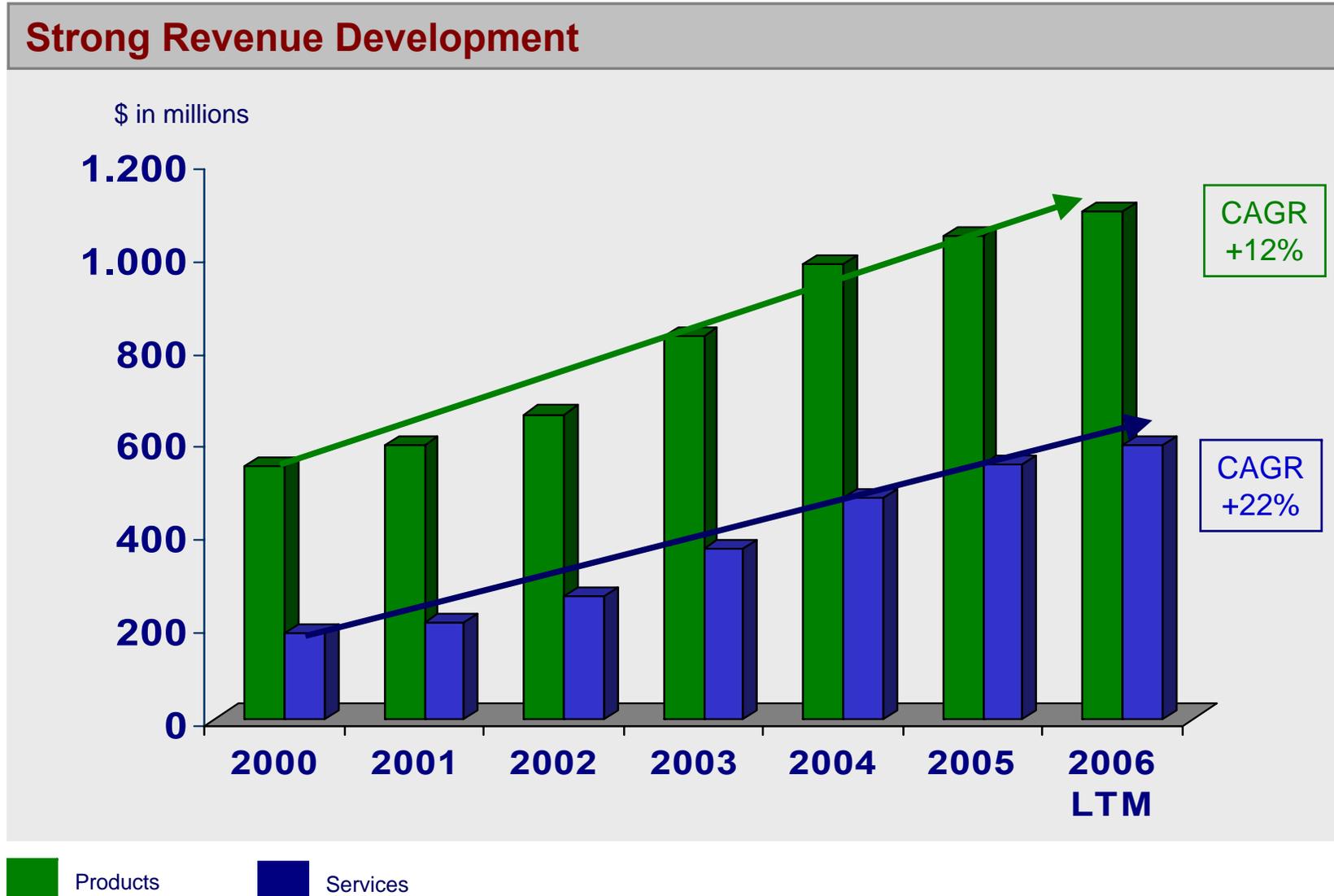


Europe – From Product Business to Therapy Provider

Selected Strategic Growth Opportunities



Europe – Excellence in Products & Services

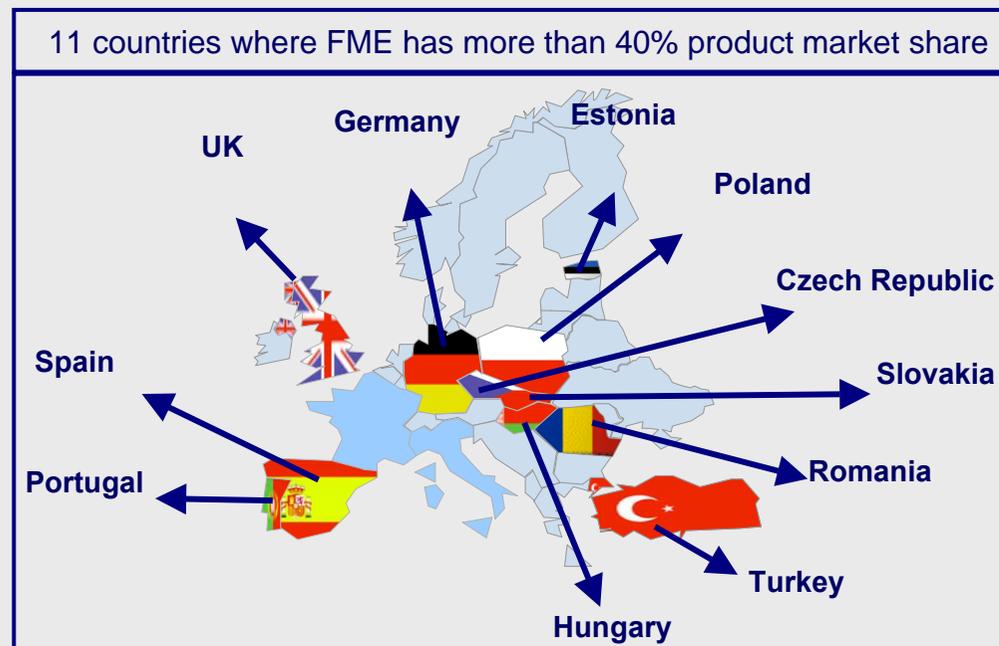


Europe – Leveraging our product business to leadership as a therapy provider

FME treating ~ 24,100 patients in Europe = 7% market share

Fully integrated providers can deliver cost efficiently the best quality care – attractive to payors, patients and physicians

Europe Total # of Patients ~ 340,000

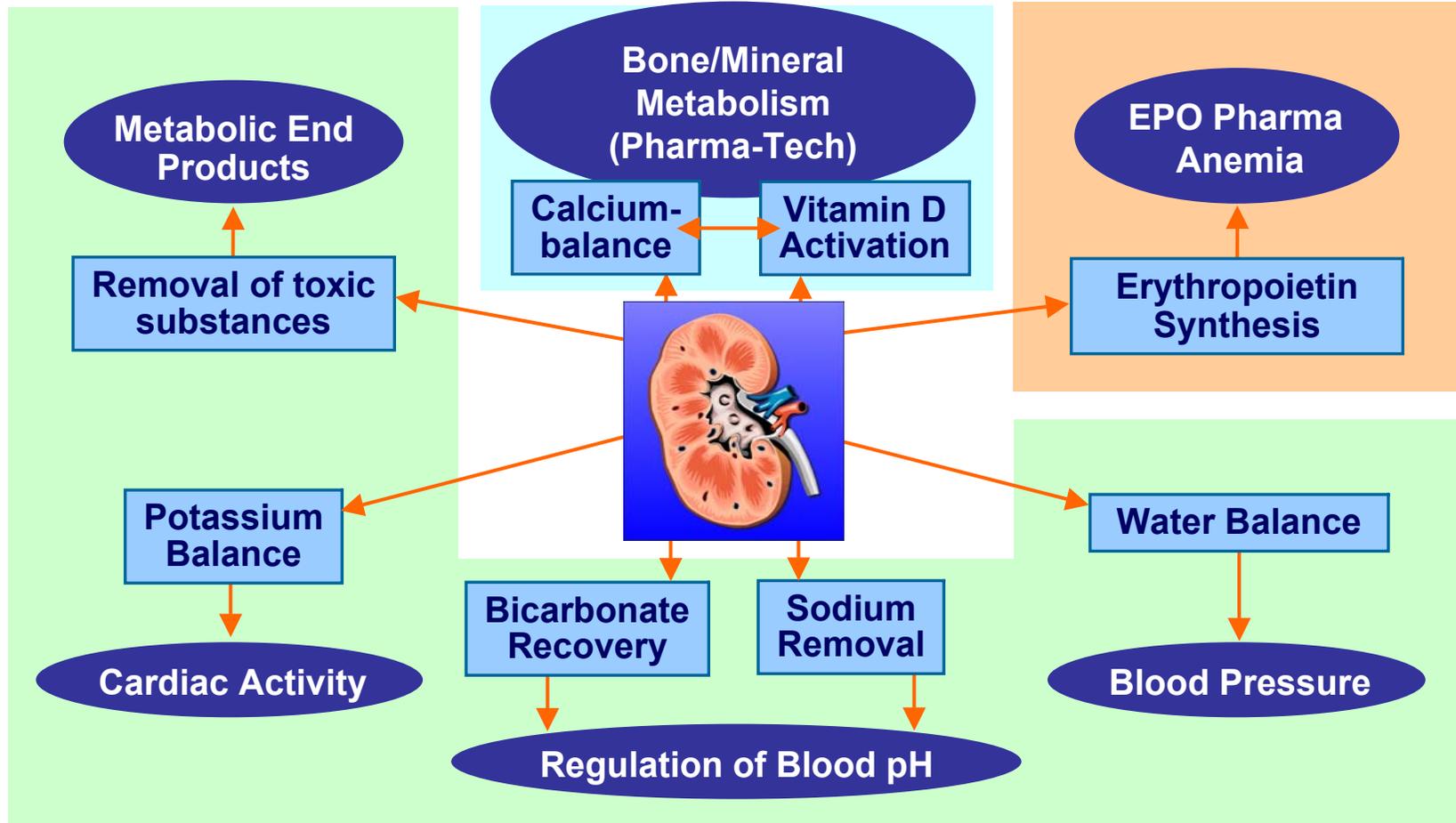


- Growth opportunities exist beyond our current position



Renal Drug Initiative – An integrated approach

Selected Strategic Growth Opportunities



 Dialysis

 Pharma-Tech Combining Dialysis Drugs with our Product Technology

 Anemia Management



Renal Drug Initiative – Bone Mineral Metabolism

Current Therapy NOT Optimal – Major Medical Need in Dialysis

- Less than 30% of the patients in the USA meet K/DOQI guidelines
- **Challenge** – Removal of excess phosphate (P) while achieving desired amount of calcium absorption
- **Problem** – Drugs used to control secondary hyperparathyroidism (SHPT) and to remove phosphate influence absorption of calcium

Integrated Therapy Required

Increased Calcium Absorption

- Calcium Containing P Binders
- Vitamin D₂ & D₃
- Diet

Balance with lower dialysate calcium concentration



Neutral / Negative Calcium Absorption

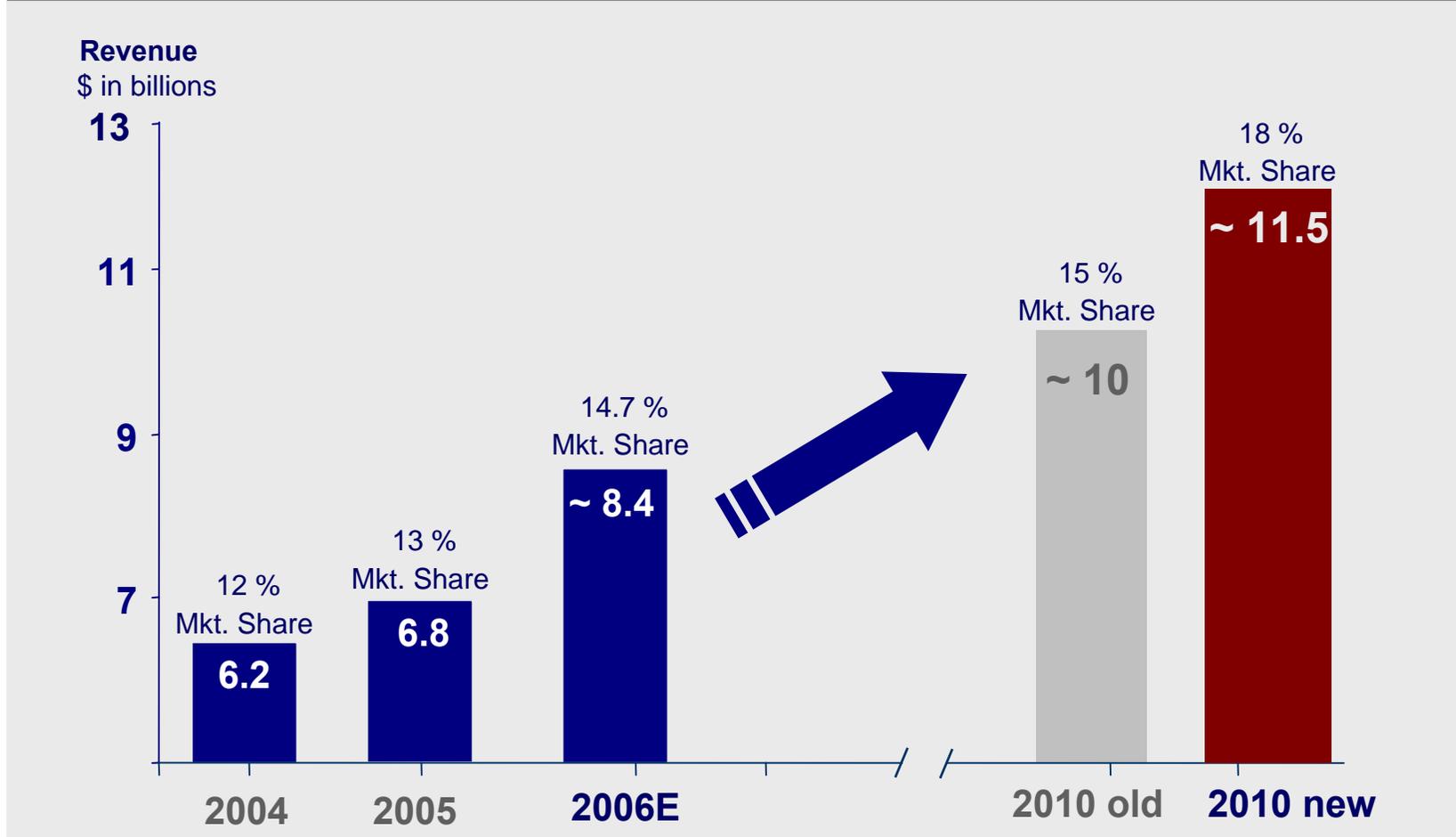
- Non Calcium Containing P Binders
- Calcimimetics
- Diet

Balance with higher dialysate calcium concentration



GOAL 2010 - UPGRADE

New target of 18% market share and \$ 11.5 billion revenue



Financials Q3 / 9M 2006



Excellent top and bottom line growth – Q3 2006

\$ in millions	Q3 2005	Q3 2006	%
Net revenue	1,717	2,234	+ 30 [*]
<i><u>Excluding one-time items and SFAS 123R</u></i>			
Operating income (EBIT) ¹⁾	244	358	+ 47
EBIT margin in %	14.2	16.0	
Net income ¹⁾	120	145	+ 21
Operating income (EBIT)	237	349	+ 47
EBIT margin in %	13.8	15.6	
Net income	116	139	+ 20

* 29% growth at constant currency

¹⁾ A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.



P&L before one-time items and SFAS 123R – Q3 2006

\$ in millions	Q3 2005	Q3 2006	%
Net revenue	1,717	2,234	+ 30[*]
Organic growth		10%	
Operating income (EBIT)¹⁾	244	358	+ 47
EBIT margin in %	14.2	16.0	
Interest expense, net	42	100	
Income before income tax¹⁾	202	258	+ 28
Tax expense¹⁾	82	108	
Tax rate	40%	42%	
Minority Interest	0.6	4.7	
Net income¹⁾	120	145	+ 21

* 29% growth at constant currency

¹⁾ A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.



Excellent top and bottom line growth – 9M 2006

\$ in millions	9M 2005	9M 2006	%
Net revenue	4,999	6,147	+ 23 [*]
<u>Excluding one-time items and SFAS 123R</u>			
Operating income (EBIT) ¹⁾	703	946	+ 35
EBIT margin in %	14.1	15.4	
Net income ¹⁾	344	412	+ 20
Operating income (EBIT)	695	964	+ 39
EBIT margin in %	13.9	15.7	
Net income	339	385	+ 13

* 23% growth at constant currency

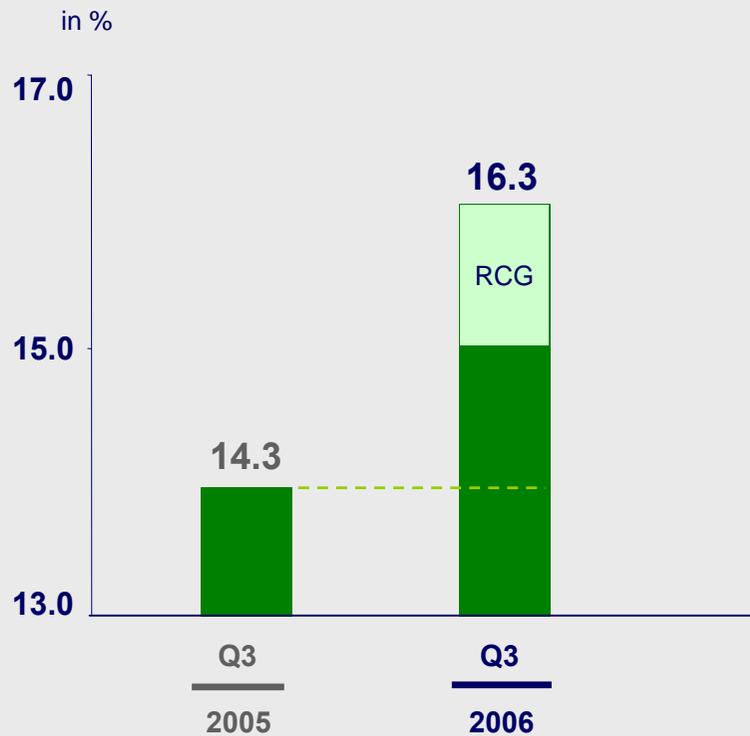
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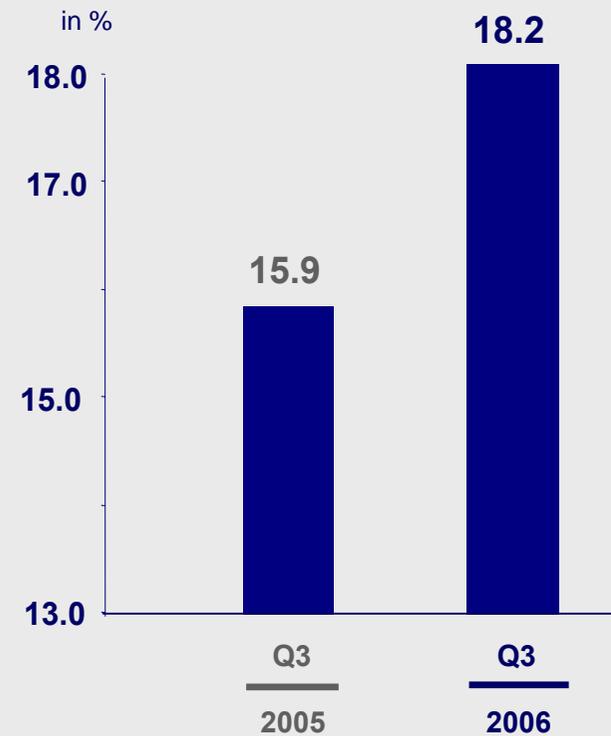
EBIT margin – Q3 2006 *

Exceptional development in both regions

North America



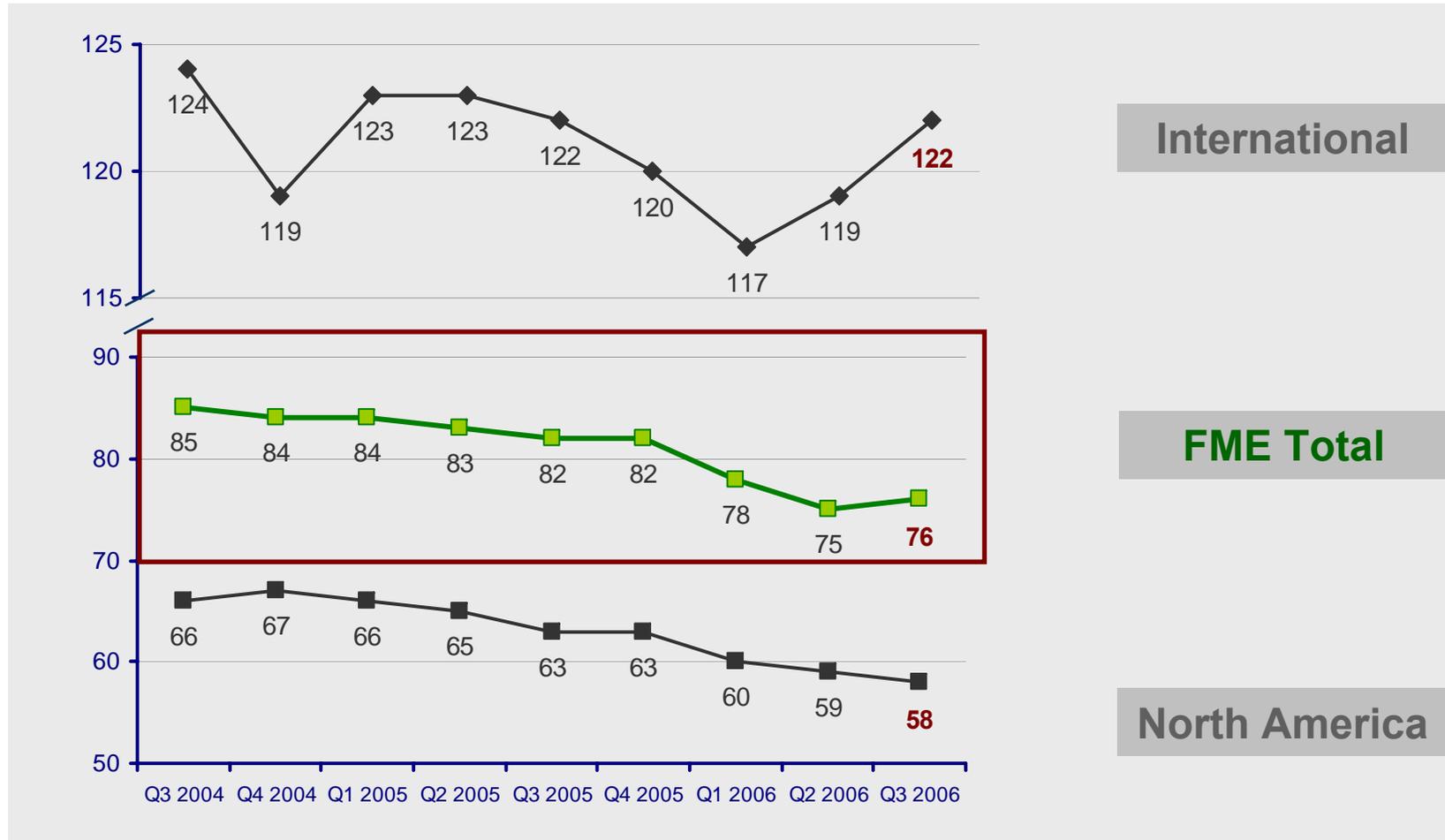
International



* Excluding one-time items and SFAS 123R



Days Sales Outstanding (DSO)



Cash Flow – Q3 2006

\$ in millions	Q3 2005	Q3 2006	%
Net cash provided by operating activities ^{1,2)}	214	261 11.7% of revenue	22
Capital expenditures (net) ²⁾	(65)	(113)	
Free Cash Flow	149	148	
Acquisitions excluding RCG acquisition ²⁾	(34)	(10)	
Free Cash Flow after acquisitions excl. RCG acquisition	115	138	

1) Excluding audit related tax payments in the US of \$ 99 m and payments in connection with the RCG acquisition of \$ 9 m in 2006 and tax payments for prior years incl. transformation and settlement costs in 2005.

2) A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.



Cash Flow – 9M 2006

\$ in millions	9M 2005	9M 2006	%
Net cash provided by operating activities ^{1,2)}	522	663 10.8% of revenue	27
Capital expenditures (net) ²⁾	(162)	(273)	
Free Cash Flow	360	390	8
Acquisitions excluding RCG acquisition ²⁾	(86)	(44)	
Free Cash Flow after acquisitions excl. RCG acquisition	274	346	

1) Excluding audit related tax payments in the US of \$ 99 m and payments in connection with the RCG acquisition of \$ 99 m in 2006 and tax payments for prior years incl. transformation and settlement costs in 2005.

2) A reconciliation to the most directly comparable US-GAAP financial measure is provided in the attachment.



Debt / EBITDA development



1) including non-cash charges

2) pro-forma

cl = closing RCG

e = expected year end



Impact of one-time items and SFAS 123R

\$ in millions	Q3 2006	9M 2006	FY 2006e
EBIT impact			
Transformation & Settlement		(2)	(2)
Restructuring costs and in-process R&D	(7)	(10)	(31)
Gain from FTC-related clinic divestment	1	40	40
Stock option compensation expense (SFAS 123R)	(3)	(10)	(15)
Total	(9)	18	(8)
Earnings After Tax impact			
Transformation & Settlement		(1)	(1)
Restructuring costs and in-process R&D	(4)	(6)	(19)
Write-off FME prepaid financing fees		(9)	(9)
Loss from FTC-related clinic divestment		(4)	(4)
Stock option compensation expense (SFAS 123R)	(2)	(7)	(11)
Total	(6)	(27)	(44)

FTC = Federal Trade Commission

Guidance FY 2006 - UPGRADE

	FY 2005 In US\$ m	OLD Guidance	NEW Guidance As reported ¹⁾
Net revenue (at constant currency)	6.772	~ \$ 8.3 bn	~ \$ 8.4 bn
Net income (before one-time items)	472	> \$542 m	> \$557 m
Growth		> 15%	> 18%
Net income (after one-time items)	455	> \$502 m	> \$513 m
Leverage ratio (Debt/EBITDA) ²⁾		< 3.5	< 3.5
Capital expenditures and acquisitions ³⁾		~ 550 m	~ 550 m

¹⁾ excl. one-time items such as Transformation and Settlement costs, Restructuring costs and in-process R&D, write-off FME prepaid financing fees, the after-tax impact of the sale of dialysis clinics, and the change in stock option compensation expense (SFAS 123R) (see slide on page 30) pro-forma and as reported

²⁾ pro-forma ³⁾ pro-forma and as reported



Q&A Session





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Attachment I

Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

Capital expenditure (net)	9M 2006	9M 2005	Q3 2006	Q3 2005
Purchase of property, plant and equipment	288	175	115	71
- Proceeds from sale of property, plant and equipment	(16)	(13)	(3)	(6)
= Capital expenditure (net)	272	162	112	65

Debt	9M 2006	FY 2005	FY 2004	FY 2003	FY2002
Short term borrowings (incl. A/R program) ¹⁾	355	151	419	90	125
+ Short term borrowings from related parties	30	19	6	30	6
+ Current portion of long-term debt and capital lease obligations	157	126	230	90	23
+ Long-term debt and capital lease obligations, less current portion	3,894	707	545	1,112	1,089
+ Trust Preferred Securities	1,236	1,188	1,279	1,242	1,145
+ Accounts receivable securitization program	0	0	0	158	445
= Total debt	5,672	2,191	2,479	2,722	2,833

EBITDA	9M 2006 (pro forma)²⁾	FY 2005	FY 2004	FY 2003	FY 2002
Last twelve months operating income (EBIT)	1,332	939	852	757	695
+ Last twelve months depreciation and amortization	289	251	233	216	211
+ Non-cash charges	26	14	13	13	10
= EBITDA (annualized)	1,647	1,204	1,098	986	916

¹⁾ A/R securitization program off-balance sheet in 2003 and included in short term borrowings in 2004

²⁾ Excluding gain from divestitures and RCG restructuring costs



Attachment II

Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

External Revenue	Q3 2006	Q3 2005	growth	constant currency
International product revenue	439	390	+12%	+ 9%
- Internal revenue	(50)	(52)	- 6%	- 6%
= External revenue	389	338	+ 15%	+ 12%
North America product revenue	268	224	+ 19%	
- Internal revenue	(127)	(93)	+ 37%	
= External revenue	141	131	+ 7%	
Operating performance before one-time items				
Operating income (EBIT)	349	237	47%	
Transformation, settlement and SFAS 123R + divestiture gain + RCG restructuring	9	7		
Operating income (EBIT) before one-time-items	358	244	47%	
Net income	139	116	20%	
Transformation, settlement and SFAS 123R+ divestiture gain + RCG restructuring	6	4		
Net income before one-time-items	145	120	21%	



Attachment III

Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

Operating performance before one-time items	9M 2006	9M 2005	growth
Operating income (EBIT)	964	695	39%
Transformation, settlement and SFAS 123R + divestiture gain + RCG restructuring	(18)	8	
Operating income (EBIT) before one-time-items	946	703	35%
Net income	385	339	13%
Transformation, settlement and SFAS 123R+ divestiture gain + RCG restructuring	18	5	
Write-off FME prepaid financing fees	9		
Net income before one-time-items	412	344	20%

Cash Flow	Q3 2006	Tax payments for prior years	RCG acquisition	Q3 2006
Net cash provided by operating activities	153	99	9	261
Capital expenditures (net)	(113)			(113)
Free Cash Flow	40	99	9	148
Acquisitions and divestitures	(8)		(2)	(10)
Free Cash Flow after acquisitions and divestitures	32	99	7	138



Attachment IV

Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

Cash Flow	9M 2006	Tax payments for prior years	RCG acquisition	9M 2006
Net cash provided by operating activities	465	99	99	663
Capital expenditures (net)	(273)			(273)
Free Cash Flow	192	99	99	390
Divestitures	507		(507)	
Acquisitions	(4,189)		4,145	(44)
Free Cash Flow after acquisitions and divestitures	(3, 490)	99	3,737	346

\$ 75 m tax payments
\$ 24 m restructuring costs and
acquisition related payments

Cash Flow	Q3 2006	9M 2006
Net cash provided by operating activities	202	470
+ Net tax payments for prior years	6	46
+ Cash out for transformation & settlement	6	6
= Net cash adjusted	214	522



Attachment V

Reconciliation of non US-GAAP financial measures to the most directly comparable US-GAAP financial measure

All numbers are in \$ millions

Profit & Loss Account	Q3 2006	One-time items and SFAS 123R	Q3 2006 excluding one-time items and SFAS 123R
Net revenue	2,234		2,234
Operating income (EBIT)	349	9	358
EBIT- margin (%)	15.6		16.0
Interest expense, net	105		100
Income before income taxes	249	9	258
Tax expense	105	3	108
Tax rate (%)	42.3		42.1
Minority interest	5		5
Net income	139	6	145

Profit & Loss Account	Q3 2005	One-time items and SFAS 123R	Q3 2005 excluding one-time items and SFAS 123R
Net revenue	1,717		1,717
Operating income (EBIT)	237	7	244
EBIT- margin (%)	13.8		14.2
Interest expense, net	42		42
Income before income taxes	195	7	202
Tax expense	79	3	82
Tax rate (%)	40.3		40.3
Minority interest	0.6		0.6
Net income	116	4	120

1) A/R securitization program off-balance sheet in 2003 and included in short term borrowings in 2004

2) Excluding gain from divestitures and RCG restructuring costs



Contacts

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Preference shares	1.2 million
WKN	578 583
ISIN	DE0005785836
SEDOL1	5160073 DE





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