



Fresenius Medical Care



**Annual General Meeting of
Fresenius Medical Care AG & Co. KGaA
on May 15, 2007**

Speech to the Shareholders of Dr. Ben J. Lipps

Spoken word takes precedence.

Chart 1: Welcome

Good morning ladies and gentlemen, we are very pleased that so many of you could attend today's meeting, and we appreciate your interest in Fresenius Medical Care. We welcome the members of the media, our guests, and all who have joined us on the Internet. I would like to extend my appreciation to our employees around the world, to my colleagues on the Management Board, and to the members of the Supervisory Board, for their dedication and service during the last year.

Chart 2: Agenda

I will begin this morning by reviewing our accomplishments of the last year, all of which have contributed to an increase in shareholder value. We will then take a look at our global leadership position and growth strategy. And finally, I will summarize the goals that we have set for 2007 that will further solidify our position as the world's leading renal therapy company.

Chart 3: 2006 Business Accomplishments

Chart 4: Accomplishments for 2006

Proudly, I can report that 2006 was an outstanding year for Fresenius Medical Care in all areas. We accomplished our key objectives and kept our commitment to deliver value to you, our shareholders. As measured in terms of revenue, operating margin, net income and leverage ratio, we continued--and even accelerated--our profitable growth momentum. At the same time, we strengthened our global leadership position and successfully integrated the Renal Care Group acquisition. The tremendous effort by our entire global team has enhanced Fresenius Medical Care's value as a company and improved shareholder value.

Chart 5: FY 2006 – A Record Year

In 2006, we generated record revenues of \$8.5 billion dollars, an increase of 25% over 2005, in constant currency. Our operating income rose above \$1.3 billion dollars for the year – a 38% increase year over year, and net income grew 24% to \$584 million dollars, excluding one-time items.

Chart 6: Very Strong Revenue Growth Worldwide

We achieved exceptionally strong revenue growth in all regions in 2006. North America, which accounts for the majority of our total revenues, increased 32% to \$6.0 billion dollars. Europe, which accounts for 21% of our total revenues, achieved \$1.77 billion dollars, an increase of 11% in constant currency. Asia-Pacific achieved \$377 million dollars in revenue, also an increase of 11%. And Latin America reported revenues of \$327 million dollars, an increase of 21% in constant currency.

Chart 7: Continued Strong Growth

Over the last five years, we have achieved a 14% compound annual revenue growth rate. We will continue to pursue strategic growth opportunities around the world. Our target is to achieve double-digit revenue growth for 2007, which adds approximately \$900 million dollars in revenues.

Chart 8: Continued Strong Growth II

Earnings per ordinary share have steadily increased each year at a 16% compound annual growth rate. In 2006, we earned \$5.47 per ordinary share.

Chart 9: 10th Consecutive Annual Dividend Increase Proposed

As a result of our earnings-linked dividend policy, we are pleased to propose a 15% increase in our dividend to 1.41 Euro per ordinary share, making this our tenth consecutive annual increase. Having achieved record earnings in 2006, this dividend represents our confidence in the future based on the trend we have seen in our earnings growth over the last decade.

Chart 10: Strong Balance Sheet

Fresenius Medical Care's balance sheet at the end of 2006 remained solid resulting from strong cash flow generation and growth in net income. This operational success gives us the flexibility to leverage our resources to invest in our growth strategy.

Chart 11: De-Leveraging Ahead of Plan

We continue to improve our leverage ratio (which is our total debt divided by earnings before interest, taxes, depreciation and amortization, or EBITDA). Our goal in 2006 was to reduce our leverage ratio from 3.8 to 3.6 by the end of the year. We exceeded that target and reduced the total leverage ratio to 3.23 through the combination of improved operations and debt reductions. In fact, by the end of the first quarter of 2007, we reduced the total leverage ratio to 3.09, a year ahead of plan. For 2007, the guidance we've given is to achieve a leverage ratio of less than 3.0. Longer-term, our target is to have a leverage ratio of between 2.5 and 3.0. At this time, we plan to use debt to finance our growth.

Chart 12: Excellent First Quarter 2007

In 2007, we have continued our profitable growth momentum. In the first quarter, we achieved organic revenue growth of 9%. Revenue increased 31% to \$2.3 billion dollars. Net income grew 28% year over year. We are clearly on track to achieve our 2007 guidance.

Chart 13: Shareholder Value

Chart 14: Outperforming The Indexes

Having advanced our ranking on the DAX in 2006 with the share conversion, our Company has been even more visible and more attractive to long-term investors. The average liquidity of our shares increased approximately by 30% during 2006. In the last twelve months, in terms of relative stock performance, we have seen a 29% increase in our share price on the New York Stock Exchange in the U.S., while the DAX has risen 22%. More relevant, perhaps, is that we have outperformed the Dow Jones Stoxx Health Care Index, which increased only 1% since May of last year.

Chart 15: Share Split 1:3 – Rationale

Since 2004, we have seen an impressive increase of 99% in the value of our shares on the Frankfurt Stock Exchange. Our market capitalization grew by \$2.4 billion dollars since the end of May 2006, clearly providing increased shareholder value to you, our trusted shareholders. In order to ensure that our shares continue to be available to the broadest number of shareholders, we have proposed a 1:3 share split. By implementing the share split, we will promote trading activity in the shares and attract a greater number of investors.

Chart 16: Global Leadership Position

Chart 17: Expanded Global Presence

Fresenius Medical Care is clearly the world's largest integrated renal therapy provider. We now operate nearly 2,200 clinics worldwide. We recently expanded our presence in Asia-Pacific acquiring the largest dialysis provider. Having completed that acquisition, we are now the number one provider of dialysis in all regions of the world: in the U.S., Europe, Latin America and Asia-Pacific. In addition, in the last three years, we have invested capital in our production facilities in the United States, Japan and in Germany, to meet the increased global demand for our innovative renal products. We continue to produce products on a regional basis suitable for the therapy requirements and economic constraints within each geographic area. This approach ensures that we are providing the best possible care for our patients.

Chart 18: Leader in Products & Services

A \$9 billion dollar market exists for dialysis-related products. In the services business, the potential market has now reached \$45 billion dollars. We provide products in over 100 countries and we have the leading product market share, which is 31%. We remain, on a global basis, the leading dialysis provider treating more than 169,000 patients. In North America, we provide dialysis treatments to more than 118,000 patients in 1,574 clinics. In our international operations, which have 620 clinics, we dialyze over 50,500 patients, 25,500 of which are in Europe. As extensive as our clinic network is today, we still only treat approximately 11% of the world's patient population, and we have significant opportunities for growth.

Chart 19: Global Leadership Position 2006

We continue to maintain our global leadership position through our legacy of innovation in hemodialysis machines. We increased our global market share for new machines from 48% in 2005, to 55% in 2006. Proudly, our manufacturing plant in Germany has now produced more than 100,000 machines.

Chart 20: Global Leadership Position

In addition to our machines and our therapies, our innovation also extends to our hemodialyzers. These dialyzers are considered to be the gold standard in the industry. Since 1975, we have produced more than 500 million dialyzers, and in 2006, we produced 65 million dialyzers. Our dialyzers clearly have the highest acceptance and market share worldwide. The near Six Sigma quality standards that we apply to our manufacturing processes and products make certain that our patients receive the best possible treatments around the world.

Chart 21: Growth Strategy

Chart 22: Global Patients by Region – 2010

The incidence and prevalence rates for diabetes, obesity, hypertension and longer life expectancy indicate that the global ESRD population will approach 2 million patients by the year 2010. We expect to see sustainable global patient growth of 6% per year with the greatest increases most likely coming from Asia-Pacific and Latin America. This sustainable patient growth rate is a key driver of our long-term strategy.

Chart 23: Fresenius Medical Care Growth Drivers

The factors that will drive our growth beyond 2007 include:

- Innovations in both products and services
- An increase in our product market share
- Global patient growth
- A favorable reimbursement environment worldwide that reflects our commitment to quality patient care
- Further expansion in Asia and Europe, and
- The implementation of our renal pharma strategy

Chart 24: New Revenue Target 2010

Based on the growth opportunities that Fresenius Medical Care sees today and the strength of our underlying business, we established a new revenue target for the year 2010: We expect to achieve \$11.5 billion dollars in revenue in 2010, and we expect that the increase in earnings after tax will be greater than 10% on a yearly basis.

Chart 25: Summary

Chart 26 Summary

In summary, the guidance that we have provided for 2007 is based on our accomplishments in 2006, and our global leadership position. For full year 2007, we expect to achieve total revenue of approximately \$9.4 billion dollars. Earnings after tax should be between \$675 and \$695 million dollars. Excluding one-time costs in 2006, this translates into an increase of between 18% and 21%. We expect our leverage ratio to be below 3.0 by the end of 2007.

With the help of the entire Fresenius Medical Care team, under the guidance of the Management Board and the Supervisory Board, we delivered on our commitments in 2006. In doing so, we have created value and enhanced your investment in the Company. We thank you, our shareholders, for your trust and support.

Chart 27: Thank you