



Fresenius is a health care group providing products and services for dialysis, hospitals and the medical care of patients at home. In addition, Fresenius focuses on hospital operation, as well as on engineering and services for hospitals and other health care facilities. More than 130,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

FRESENIUS MEDICAL CARE

DIALYSIS PRODUCTS,
DIALYSIS CARE

| | 2009 in million US\$ | 2008 in million US\$ | Change |
|--------------------------------------|-------------------------|-------------------------|--------|
| Sales | 11,247 | 10,612 | 6 % |
| EBIT | 1,756 | 1,672 | 5 % |
| Net income ¹ | 891 | 818 | 9 % |
| Operating cash flow | 1,339 | 1,016 | 32 % |
| Capital expenditure/ acquisitions | 766 | 1,011 | -24 % |
| R & D expenses | 94 | 80 | 18 % |
| Employees (December 31) | 71,617 | 68,050 | 5 % |

FRESENIUS KABI

INFUSION THERAPY, IV DRUGS,
CLINICAL NUTRITION,
MEDICAL DEVICES /
TRANSFUSION TECHNOLOGY

| | 2009 in million € | 2008 in million € | Change |
|--------------------------------------|----------------------|----------------------|--------|
| Sales | 3,086 | 2,495 | 24 % |
| EBIT | 607 | 443 | 37 % |
| Net income ¹ | 200 | 200 | 0 % |
| Operating cash flow | 397 | 205 | 94 % |
| Capital expenditure/ acquisitions | 157 | 3,749 | -96 % |
| R & D expenses | 129 | 109 | 18 % |
| Employees (December 31) | 21,872 | 20,457 | 7 % |

FRESENIUS HELIOS

HOSPITAL OPERATION

| | 2009 in million € | 2008 in million € | Change |
|--------------------------------------|----------------------|----------------------|--------|
| Sales | 2,416 | 2,123 | 14 % |
| EBIT | 205 | 175 | 17 % |
| Net income ¹ | 107 | 80 | 34 % |
| Operating cash flow | 219 | 225 | -3 % |
| Capital expenditure/ acquisitions | 203 | 140 | 45 % |
| Order Intake | n/a | n/a | |
| Employees (December 31) | 33,364 | 30,088 | 11 % |

FRESENIUS VAMED

ENGINEERING AND SERVICES
FOR HOSPITALS AND
OTHER HEALTH CARE FACILITIES

| | 2009 in million € | 2008 in million € | Change |
|--------------------------------------|----------------------|----------------------|--------|
| Sales | 618 | 524 | 18 % |
| EBIT | 36 | 30 | 20 % |
| Net income ¹ | 27 | 26 | 4 % |
| Operating cash flow | 29 | 27 | 7 % |
| Capital expenditure/ acquisitions | 7 | 39 | -82 % |
| Order Intake | 539 | 425 | 27 % |
| Employees (December 31) | 2,849 | 2,802 | 2 % |

¹ Net income attributable to the parent company of the respective business segment.

FRESENIUS MEDICAL CARE. We again reached record levels in sales and earnings. Very good organic sales growth of 8 % was achieved. All regions contributed to the growth. We consolidated our worldwide leading position in dialysis. We successfully continued to improve the quality of our medical outcomes.

Fresenius Medical Care is the world's leading provider of dialysis care and dialysis products for patients with chronic kidney failure. When the kidney function of patients with this disease fails, dialysis takes over the vital task of cleansing the blood from toxins and surplus water.

In dialysis, two treatment methods are distinguished: hemodialysis (HD) and peritoneal dialysis (PD). With HD, the patient's blood is cleansed with a dialyzer, or 'artificial kidney', a process that is controlled by a hemodialysis machine. In the case of PD, the patient's peritoneum is used as a 'filter' to cleanse the blood. Fresenius Medical Care treats dialyses

patients and also manufactures the dialysis products. We offer our dialysis services and dialysis products in over 115 countries. Fresenius Medical Care has a worldwide network of more than 30 production sites on all continents. Fresenius Medical Care's largest plants are in the United States, Germany, and Japan.

We further consolidated our leading market position in 2009: we treated 195,651 patients at 2,553 dialysis clinics worldwide, an increase of 6 % and 7 %, respectively, over 2008. The number of treatments grew by 6 % to 29.4 million.

FRESENIUS MEDICAL CARE BY REGION

| | North America | Europe/ Middle East/ Africa | Latin America | Asia-Pacific | Total |
|---------------------------------|---------------|-----------------------------------|---------------|--------------|---------|
| Dialysis clinics (December 31) | 1,784 | 435 | 191 | 143 | 2,553 |
| Dialysis patients (December 31) | 132,262 | 32,409 | 20,973 | 10,007 | 195,651 |
| Treatments (in million) | 19.87 | 4.83 | 3.22 | 1.51 | 29.43 |

BUSINESS DEVELOPMENT

In 2009, Fresenius Medical Care increased its sales by 6 % to US\$ 11,247 million (2008: US\$ 10,612 million). Organic growth was 8 %. Currency translation had an effect of -3 %. Net acquisitions accounted for 1 % of the growth. Both segments – North America and International – contributed to the sales growth.

Revenues from **dialysis care** increased by 8 % to US\$ 8,350 million in 2009 (2008: US\$ 7,737 million) and accounted for 74 % of total sales. This increase was driven by excellent organic growth of 9 %.

Sales of **dialysis products** grew by 1 % to US\$ 2,897 million (2008: US\$ 2,875 million). Sales increased by 6 % in constant currency. Dialysis products accounted for 26 % of total sales. Including supplies to our own dialysis clinics, sales of dialysis products increased by 3 % to US\$ 3,836 million (2008: US\$ 3,728 million).

EBIT increased by 5 % to US\$ 1,756 million (2008: US\$ 1,672 million). The EBIT margin was 15.6 % (2008: 15.8 %). The decline in the margin was mainly due to higher personnel expenses, higher costs for renal pharmaceuticals and the impact of the launch of a generic version for the phosphate binder PhosLo® by a competitor in the United States. This was partly offset by an increase in revenue per treatment, strong performance from the dialysis products business, and strong cost management.

Net income¹ increased by 9 % to US\$ 891 million (2008: US\$ 818 million).

NORTH AMERICA

Sales in North America, Fresenius Medical Care's largest business region, increased by 9 % to US\$ 7,612 million (2008: US\$ 7,005 million). Excellent organic growth of 8 % was achieved. Acquisitions contributed 1 % to the growth in sales.

Dialysis care was by far the largest contributor to sales, with a share of 89 %. In 2009, sales from dialysis care increased by 9 % to US\$ 6,794 million (2008: US\$ 6,247 million).

Very good organic growth of 8 % was achieved. Growth in the number of treatments and the higher revenue per treatment were the drivers for the positive business development. In 2009, the average revenue per treatment in the United States, our largest single market, rose by 5 % to US\$ 347. The rise is largely due to an increase in the reimbursement rate and an increased utilization of pharmaceuticals.

Business in **dialysis products** was also very successful. Sales increased by 8 % to US\$ 818 million (2008: US\$ 758 million). The main growth drivers were improved sales proceeds, especially from newly licensed, intravenously administered iron preparations. By contrast, there was a negative effect from lower sales from the phosphate binder PhosLo® due to the launch of a generic product by a competitor in the United States in October 2008.

EBIT increased by 7 % to US\$ 1,250 million (2008: US\$ 1,168 million). The EBIT margin was 16.4 % (2008: 16.7 %). The decline in the EBIT margin was mainly due to higher costs for renal pharmaceuticals, the impact of the launch of a generic version for the phosphate binder PhosLo® by a competitor in the United States, and higher personnel expenses. This was mainly compensated by higher reimbursement rates and an increase in the utilization of pharmaceuticals.

SALES BY SEGMENT

| in million US\$ | 2009 | 2008 | Change |
|----------------------|---------------|---------------|------------|
| North America | | | |
| Dialysis care | 6,794 | 6,247 | 9 % |
| Dialysis products | 818 | 758 | 8 % |
| Total | 7,612 | 7,005 | 9 % |
| International | | | |
| Dialysis care | 1,556 | 1,490 | 4 % |
| Dialysis products | 2,079 | 2,117 | -2 % |
| Total | 3,635 | 3,607 | 1 % |
| Worldwide | | | |
| Dialysis care | 8,350 | 7,737 | 8 % |
| Dialysis products | 2,897 | 2,875 | 1 % |
| Total | 11,247 | 10,612 | 6 % |

¹ Net income attributable to Fresenius Medical Care AG & Co. KGaA.

INTERNATIONAL

The International segment comprises all business regions outside North America. In 2009, we derived about 32 % of Fresenius Medical Care's total sales from these regions.

The International segment's good operating performance was based on strong organic growth of 8 %. Net acquisitions had a small positive effect of 2 %. However, owing to negative currency translation effects of 8 %, sales reported in US dollars increased only slightly by 1 % to US\$ 3,635 million (2008: US\$ 3,606 million).

Revenues from **dialysis care** increased by 4 % to US\$ 1,556 million (2008: US\$ 1,490 million). Excellent revenue growth of 14 % was achieved in constant currency.

Sales from **dialysis products** were US\$ 2,079 million (2008: US\$ 2,117 million). Sales increased by 6 % in constant currency. The main drivers were stronger sales of drugs, dialyzers, and concentrates.

The International segment's largest business region is **Europe/Middle East/Africa**. In 2009, sales were US\$ 2,479 million (2008: US\$ 2,510 million). Our revenues from dialysis care in this region were US\$ 980 million, an increase of 3 %. In constant currency, we increased revenues by 14 %. Sales from dialysis products were US\$ 1,499 million, an increase of 4 % in constant currency. In 2009, we treated over 2,500 patients in this region at 435 dialysis clinics, an increase of 9 % in each case.

In the **Asia-Pacific** region, we increased sales by 6 % to US\$ 639 million (2008: US\$ 606 million). In constant currency, the increase was 8 %. Revenue from dialysis care grew by 7 % (5 % in constant currency) to US\$ 227 million. In 2009, sales from dialysis products rose by 5 % (9 % in constant

currency) to US\$ 412 million. In Asia-Pacific, we treated over 10,000 patients in 2009, an increase of 9 %. The number of dialysis clinics increased by 14 % to 143.

The **Latin America** region also developed well. Sales increased by 5 % to US\$ 517 million (2008: US\$ 491 million); in constant currency the increase was 16 %. Revenue from dialysis care rose by 6 % (18 % in constant currency) to US\$ 349 million. We achieved sales of US\$ 167 million with dialysis products, an increase of 4 % (12 % in constant currency). In 2009, the number of patients treated rose to almost 21,000, a growth of 9 %. We increased the number of dialysis clinics by 8 % to 191.

EBIT rose by 3 % to US\$ 637 million (2008: US\$ 616 million). The operating margin improved from 17.1 % in 2008 to 17.5 %, benefiting from reduced production costs driven by lower raw material and energy prices as well as economies of scale.

RENAL PHARMACEUTICALS

Dialysis performs most of the kidney's main tasks but cannot substitute all of the natural organ's functions. Consequently, patients suffering from chronic kidney failure also have to take drugs, for instance to maintain the right balance of minerals in the body or to prevent anemia. The spectrum of renal pharmaceuticals includes erythropoiesis-stimulating agents (EPO), phosphate binders, iron preparations, vitamin D preparations, and so-called calcimimetics.

Broadening the portfolio of renal pharmaceuticals is an integral part of Fresenius Medical Care's growth strategy. Rather than accumulating different individual products, the focus is on a holistic approach. By combining renal

SALES BY REGION

| in million US\$ | 2009 | 2008 | Change | Currency translation effects | % of total sales |
|---------------------------|---------------|---------------|------------|------------------------------|------------------|
| North America | 7,612 | 7,005 | 9 % | 0 % | 68 % |
| Europe/Middle East/Africa | 2,479 | 2,510 | -1 % | -9 % | 22 % |
| Asia-Pacific | 639 | 606 | 6 % | -2 % | 6 % |
| Latin America | 517 | 491 | 5 % | -11 % | 4 % |
| Total | 11,247 | 10,612 | 6 % | 3 % | 100 % |

pharmaceuticals with our dialysis products and therapies, our aim is to achieve even better treatment results for dialysis patients over the long term.

At present, Fresenius Medical Care's product portfolio includes the phosphate binders PhosLo® and OsvaRen®, which help to improve dialysis patients' bone mineralization. We received regulatory approvals for these products in further countries in 2009. Moreover, market launches have taken place in additional countries as well.

TREATMENT QUALITY

Our central concern is the health of our patients. Our mission is to improve their quality of life by continuously optimizing their dialysis treatment. Fresenius Medical Care is ideally qualified to achieve this thanks to its high quality standards and its well-established methods for monitoring therapy results.

To evaluate the quality of our dialysis treatments, we use quality parameters that are generally recognized by the dialysis industry, such as hemoglobin values. The so-called Kt/V value gives an indication of the filtering performance of a treatment by establishing the ratio of the length of treatment and the filtration rate of certain toxic molecules. Albumin, a protein, is one quality parameter used to monitor a patient's general nutritional condition. In 2009, we were able to further improve the quality of our dialysis treatment based on these parameters.

QUALITY INDICATORS OF FRESENIUS MEDICAL CARE PATIENTS¹

| | USA | | EMEA | |
|--|------|------|------|------|
| | 2009 | 2008 | 2009 | 2008 |
| Kt/V \geq 1.2 | 96 % | 95 % | 95 % | 94 % |
| Hemoglobin \geq 10 – 12 g/dl | 64 % | 61 % | 52 % | 50 % |
| Albumin \geq 3.5 g/dl ² | 83 % | 80 % | 88 % | 85 % |
| Phosphate 3.5 – 5.5 mg/dl ² | 53 % | 53 % | 61 % | 61 % |

¹ Data refer to the last quarter.

² International standard BCR CRM470.

HOME DIALYSIS

While the majority of our dialysis patients are treated at clinics, some patients prefer treatment at home. For patients with chronic kidney failure, home dialysis is a cost-effective treatment option that can easily be integrated into their day-to-day life. There are two kinds of home dialysis: peritoneal dialysis and home hemodialysis.

In 2009, about 11 % of all dialysis patients received peritoneal dialysis treatment. Home hemodialysis is still a niche market – less than 1 % of all patients worldwide received this treatment.

By the end of 2009, we treated more than 35,000 peritoneal dialysis patients and approximately 3,500 home hemodialysis patients. This made us the world's largest provider of home hemodialysis. Approximately 40 % of all home hemodialysis patients use our dialysis machines and dialyzers.

Home dialysis is still not as common as clinical dialysis, but we expect the need to increase in the long term. Rising patient numbers and further cost pressure will lead to growing demand for home dialysis.

For further information, please see Fresenius Medical Care's Annual Report 2009 or www.fmc-ag.com.

Please see page 103 of the Management Report for the 2010 financial outlook of Fresenius Medical Care.

FRESENIUS KABI. High growth rates reflect the success of our products: We achieved an organic sales growth of 8% and increased EBIT substantially. Following the acquisitions of APP Pharmaceuticals and Dabur Pharma in 2008, we significantly expanded our global market position in 2009.

Fresenius Kabi specializes in the therapy and care of chronically and critically ill patients, providing intravenously administered generic drugs (IV drugs), infusion therapies, clinical nutrition, and related medical devices. Our products cover the full range of patient care: emergency cases, surgery, intensive care, hospital wards, and outpatient care.

Our **portfolio** of IV drugs includes anesthetics, analgesics, anti-infectives, and drugs for the treatment of oncological and other critical diseases. For infusion therapy, we provide blood volume substitution products and infusion solutions. In the area of clinical nutrition, we are one of the few companies worldwide that offer both parenteral and enteral nutrition products. To administer our products, we supply infusion pumps, infusion management systems, nutrition pumps, and disposables. For transfusion technology, we offer a range of products used by blood banks and blood donation units to produce blood products.

BUSINESS DEVELOPMENT

In 2009, Fresenius Kabi increased sales by 24% to € 3,086 million (2008: € 2,495 million). Organic growth was 8%. Net acquisitions had an impact of 18%. Currency translation had a negative effect of 2%.

The sales growth by **region** was as follows:

| in million € | 2009 | 2008 | Change |
|----------------------|--------------|-------|--------|
| Europe | 1,566 | 1,499 | 4 % |
| North America | 728 | 336 | 117 % |
| Asia-Pacific | 482 | 381 | 27 % |
| Latin America/Africa | 310 | 279 | 11 % |
| Total | 3,086 | 2,495 | 24 % |

We continued to achieve strong organic growth, especially in the growth regions of Asia-Pacific and Latin America, both with increases of 15%. China is our biggest market in Asia-Pacific and is the third largest contributor to Fresenius Kabi's

sales after North America and Germany. The strong sales growth in North America was due to the first full-year consolidation of APP Pharmaceuticals. The company increased its sales by 14 % to US\$ 889 million.

Sales by **product segment** were as follows:

| in million € | 2009 | 2008 | Organic growth |
|--|--------------|--------------|----------------|
| Infusion therapy | 712 | 683 | 6 % |
| IV drugs | 1,027 | 563 | 9 % |
| Clinical nutrition | 924 | 845 | 10 % |
| Medical devices/ Transfusion technology | 423 | 404 | 5 % |
| Total | 3,086 | 2,495 | 8 % |

We continued the excellent **earnings progress** of past years. EBIT increased by 37 % to € 607 million (2008: € 443 million), including amortization of € 26 million on intangible assets from APP Pharmaceuticals. The EBIT margin rose to 19.7 % (2008: 17.8 %). The strong margin improvement is mainly due to the consolidation of APP Pharmaceuticals for the full year. At APP Pharmaceuticals, EBIT rose to US\$ 273 million. The EBIT margin was 30.7 %. Adjusted EBITDA¹ was US\$ 347 million.

All the regions contributed to the growth in EBIT:

| in million € | 2009 | 2008 | Change |
|--|---------------|---------------|-------------|
| Europe | 335 | 323 | 4 % |
| EBIT margin | 21.4 % | 21.5 % | |
| North America | 216 | 87 | 148 % |
| EBIT margin | 29.7 % | 25.9 % | |
| Asia-Pacific, Latin America/Africa | 151 | 113 | 34 % |
| EBIT margin | 19.1 % | 17.1 % | |
| Administrative and corporate R & D expenses | -95 | -80 | -19 % |
| EBIT | 607 | 443 | 37 % |
| EBIT margin | 19.7 % | 17.8 % | |

Fresenius Kabi's consolidated net income² was € 200 million (2008: € 200 million).

¹ Non-GAAP financial measures – Adjusted EBITDA is a defined term in the indenture governing the Contingent Value Rights (CVRs), however it is not a recognized term under GAAP.

² Net income attributable to Fresenius Kabi AG.

INFUSION THERAPY

Infusion solutions are used widely in everyday hospital routines. Among other things, they are administered to patients suffering fluid loss or electrolyte deficiencies. They also serve as carrier solutions for intravenously administered drugs. We offer a comprehensive range of products in infusion bags and bottles.

For **blood volume substitution** we offer artificial colloids, which are used mainly in surgery and emergency cases, and can be infused regardless of blood group. They can compensate for blood loss by binding water in the vascular system. Our products contain hydroxyethyl starch (HES), which is derived from waxy maize starch. We are the world market leader for artificial colloids. Our Voluven® product meets highest quality and safety standards in blood volume substitution. In 2009, we sold it in more than 90 countries, and in over half of these markets we are the leading supplier. We also successfully launched our new blood volume substitute Volulyte® in more European markets.

Further successes were achieved with our **medical devices** for the application of infusion therapies. In Australia, we won a tender with our Volumat MC Agilia infusion pump and were appointed as exclusive supplier to the New South Wales Health Hospitals for this product. The contract involves the supply of approximately 10,000 pumps, including the related disposables, over the next three to five years.

In **transfusion technology**, we are one of Europe's leading suppliers of blood bag systems and medical devices for collecting, processing, and transporting blood products. In 2009, we launched our new CompoFlow concept in Europe. Its salient feature is a novel CompoFlow valve on the blood bag that opens automatically on the CompoMat G5 blood component separator. This minimizes possible mistakes when opening the valves manually and considerably reduces the physical effort of opening several hundred break-off valves each day for blood bank staff.

INTRAVENOUSLY ADMINISTERED DRUGS

In 2009, we continued the integration of APP Pharmaceuticals and Dabur Pharma (now operating under the name Fresenius Kabi Oncology). The acquisition of these two companies was a milestone in our growth strategy in this product segment. Today, we have a portfolio of over 200 products in different

formulations and dosage forms, which makes us one of the world's leading suppliers of generic IV drugs. Through Fresenius Kabi Oncology, we also produce our own cytostatic agents and thus have the expertise to cover the entire pharmaceutical value chain – a factor of particular relevance for quality in the very important growth market of cytostatics.

APP Pharmaceuticals distributes its products in North America, where it is one of the leading suppliers of IV drugs. In the important segment of anti-infectives, the company offers a broad portfolio of about 27 products in over 70 different formulations and dosage forms. The company further expanded this product segment with the successful launch of Penicillin G potassium, an antibiotic used especially for treating severe infections.

IV drugs for the treatment of critical diseases are another big product segment at APP Pharmaceuticals. The company offers about 87 products in over 200 different formulations and dosage forms. APP Pharmaceuticals is currently the leading supplier of unfractionated heparin in North America. Heparin is used for the prophylaxis and treatment of blood clotting after surgery, e. g. during heart and major orthopedic and gastrointestinal surgeries or in extracorporeal blood circulation, such as dialysis. In 2009, APP Pharmaceuticals continued its information campaign "Working Together for Patient Safety" and introduced online training programs for pharmacists and other healthcare professionals.

In 2009, APP also launched the diuretic Chlorothiazide Sodium, the muscle relaxant Rocuronium, the migraine drug Sumatriptan, Deferoxamine, an iron chelating agent, and the oncology drugs Idarubicin, Bleomycin, and Oxaliplatin, a powder for intravenous infusion and a marketing authorization of Fresenius Kabi Oncology. Nonetheless, with a total of seven new marketing authorizations in 2009, APP Pharmaceuticals received fewer than in previous years, and they were also obtained later than expected. As a result, there were not as many new product launches as we had planned. At the end of 2009, APP Pharmaceuticals still had 35 pending applications at the U.S. Food and Drug Administration (FDA). More information can be found on page 74 of the Management Report.

At the end of 2009, the FDA contracted APP Pharmaceuticals at short notice to make additional supplies of Propofol from Fresenius Kabi plants in Europe. This exceptional measure was necessary in order to alleviate shortages of anesthetics in the US market in the wake of product recalls by competitors. Together with APP's anesthetic Diprivan®, which has been a market-leading product for many years, Fresenius Kabi was able to assure a more or less seamless supply of the US market.

We also expanded our portfolio of IV generics outside North America. We launched six new products in various formulations and dosage forms in a number of European markets. Our goal is to roll out our extensive product portfolio across Europe and the growth regions of Latin America and Asia-Pacific. Already today, our anesthetic Propofol, for instance, is the global market leader in the IV anesthetics segment.

Fresenius Kabi Oncology specializes in generic drugs for cancer treatment and offers an extensive range of products for the common diseases of lung, breast, and colon cancer, as well as for tumors of the neck and head.

In 2009, we successfully continued with the internationalization of our **oncology products**. The cytostatic drug Gemcitabin Kabi, for instance, was launched very successfully in Germany, Great Britain, France, and Italy, among other markets. This product is used, for example, in chemotherapy for pancreatic and bladder cancer. The cytostatic drug Irinotecan Kabi, which is used for the treatment of colon cancer, also sold very successfully in numerous European markets in 2009. We are already marketing a large number of oncology drugs in the Asia-Pacific region, where we managed to consolidate our market leadership in India, Thailand, and the Philippines.

Today, with the addition of oncological generics to our portfolio, we are providing patients with a comprehensive range of products for cancer treatment. Our offering includes generic drugs as well as enteral and parenteral nutrition products for improving the nutritional condition of patients. We also supply medical devices for administering the solutions as well as patient-specific preparations (**Compounding**) that can also be used in outpatient care.

CLINICAL NUTRITION

Clinical nutrition serves to supply patients who are unable to eat any or sufficient normal food. This applies especially to patients in intensive care units, to the severely and chronically ill, and to those who are malnourished. The use of clinical nutrition products is on the increase. Weight loss and deficiencies in essential nutrients can result in higher complication rates, longer recovery periods, a diminished quality of life, and elevated mortality rates. The acceptance of clinical nutrition is also increasing due to aspects of health care economics. In Germany alone, malnutrition causes additional costs of about €9 billion a year for health and nursing care insurers.¹

Three-chamber bags are one of our core **parenteral nutrition products** and are reference products for parenteral nutrition therapy in hospitals. In 2009, we were once again extremely successful in this product segment. There were two main reasons: firstly, our pioneering bag design, which assures a high level of safety in everyday hospital use, and, secondly, our international presence. We have continued with the international roll out of this product and now sell the new bag design in about 60 countries.

Another growth driver for our business with three-chamber bags was the launch of SmofKabiven®. We use our SMOfLipid® product as the lipid component in this new product and therefore offer a multi-chamber bag for parenteral nutrition with a balanced fatty acid profile and an optimized Omega-6 to Omega-3 fatty acid ratio. The clinical benefit is high: the product has a beneficial effect on important liver function parameters and anti-inflammation reactions. The results of studies show that the product's composition helps to reduce the length of time patients spend in hospital. In 2009, we began to sell this product successfully in Europe.

In the field of **enteral nutrition therapy**, we offer a comprehensive range of sip and tube feed products. Enteral products are used, for instance, in geriatric, pediatric, and intensive care as well as in outpatient care. Enteral nutrition is also acquiring growing importance as a supportive component of the overall therapy process, for instance in cancer treatment. Because of chemotherapy, nausea, vomiting, physical weakness, or depression, tumor patients often do not have a sufficient intake of food.

In 2009, we successfully launched our high-calorie sip feed products Fresubin® 2kcal, which is particularly well suited for tumor patients, in numerous European countries.

TOTAL CANCER CARE PRODUCT PORTFOLIO



We offer this product in a wide range of flavors to prevent taste fatigue during long-term therapy. We have also broadened our range with the addition of an alternative to sip feeds: Fresubin® Crème is a balanced, high-calorie nutrition product of a creamy consistency that is ideal for patients who are malnourished or are suffering from dysphagia. Fresubin® Crème has been successfully launched in five flavors in Europe.

We also hold a strong position in Latin America and Asia-Pacific with our enteral nutrition products. We are one of the leading suppliers in China, for instance. In 2009, we successfully continued with the internationalization of our range of enteral nutrition products and launched our sip and tube feeds in further markets.

We are one of the leading suppliers in Europe in the field of **medical devices** for the application of clinical nutrition. Our Ambix® activ infusion pump is a small, lightweight, mobile pump for parenteral nutrition. Ambix® activ can be operated intuitively and, being easy to use and convenient to handle, offers patients maximum independence. With its successful launch in Germany, we have set new standards of user-friendliness in outpatient care.

For further information, please see Fresenius Kabi's website at www.fresenius-kabi.com.

Please see page 103 of the Management Report for the 2010 financial outlook of Fresenius Kabi.

¹ Cepton Studie, Mangelernährung in Deutschland – Handlungsfelder für Medizin und Politik, 2007 (Malnutrition in Germany – A Need for Medical and Political Action)

FRESENIUS HELIOS. Fresenius Helios achieved excellent results in 2009. We aim to secure our continued growth by guaranteeing best-in-class care for our patients. Our goal is to keep improving the high quality standard in treatment and care.

HELIOS is one of the largest German private hospital operators. The HELIOS Group operates 61 proprietary clinics: In addition to 42 acute care hospitals, including 5 maximum care clinics in Berlin-Buch, Erfurt, Krefeld, Schwerin, and Wuppertal, the HELIOS Group has 19 post-acute care clinics. 24 medical centers and 4 nursing homes are also affiliated with HELIOS. The Group has more than 18,500 beds and treats approximately 600,000 inpatients and about 1.6 million outpatients each year. The company had more than 33,000 employees at the end of 2009.

BUSINESS DEVELOPMENT

In 2009, Fresenius Helios increased its **sales** by 14 % to € 2,416 million (2008: € 2,123 million). Excellent organic sales growth of 7 % was achieved (2008: 5 %), mainly driven by an increase of inpatient and outpatient admissions. Acquisitions contributed 8 %, while divestitures reduced sales by 1 %. One acute care clinic was deconsolidated as of January 1, 2010. It contributed revenues of € 11 million in 2009. The acute care clinics accounted for 89 % of sales (2008: 88 %), while

the post-acute care clinics accounted for 9 % (2008: 10 %). 2 % was attributable to other revenues (2008: 2 %).

These figures reflect the high confidence that patients and doctors place in us. They are also evidence for the successful restructuring of the acquired clinics.

| in million € | 2009 | 2008 | Change |
|-------------------------|-------|-------|--------|
| Sales | 2,416 | 2,123 | 14 % |
| thereof acute care | 2,142 | 1,873 | 14 % |
| thereof post-acute care | 211 | 205 | 3 % |
| EBITDA | 286 | 251 | 14 % |
| EBITDA margin in % | 11.8 | 11.8 | |
| EBIT | 205 | 175 | 17 % |
| EBIT margin in % | 8.5 | 8.2 | |
| Net income ¹ | 107 | 80 | 34 % |

¹ Net income attributable to HELIOS Kliniken GmbH.

As the table shows, **earnings** were much improved: EBITDA increased by 14 % to € 286 million (2008: € 251 million). The EBITDA margin was at the previous year's level of 11.8 %.

Fresenius Helios achieved an excellent EBIT growth of 17 % to € 205 million (2008: € 175 million). The EBIT margin also improved, climbing to 8.5 % (2008: 8.2 %). Net income¹ was € 107 million, an increase of 34 % (2008: € 80 million).

At HELIOS' **established clinics**, sales rose by 7 % to € 2,253 million. Their combined EBIT increased strongly to € 213 million, while the EBIT margin improved to 9.5 % (2008: 8.3 %). The **acquired clinics** (consolidated for less than one year) contributed sales of € 163 million. EBIT was € -8 million.

The hospital operations business exhibits **stable cash flows**. The cash flow ratio was 9.1 % (2008: 10.6 %). In 2009, days sales outstanding were 36 days (2008: 38 days) thanks to very good receivables management. This is also reflected in the low loss on revenue of 0.2 % (2008: 0.3 %).

GROWTH IN HOSPITAL ADMISSIONS AND TREATMENTS

The introduction of Diagnosis Related Groups (DRGs), with standardized base rates in each federal state, means hospitals in Germany face increasing competition for patients. The HELIOS clinics have successfully adjusted to the changed reimbursement and competitive conditions. Due to the broadening of services being offered and our high treatment quality, we were able to increase the number of inpatients treated in Germany. These rose in 2009 to a total of 620,268, an excellent increase of 13 % (2008: 548,383). The number of outpatients treated at our HELIOS clinics rose substantially by 15 % to 1,634,170 (2008: 1,418,325).

| | 2009 | 2008 | Change |
|---|-----------|-----------|--------|
| Inpatient and semi-inpatient admissions | 620,268 | 548,383 | 13 % |
| Acute care clinics | 586,123 | 513,990 | 14 % |
| Post-acute care clinics | 34,145 | 34,393 | -1 % |
| Outpatient admissions | 1,634,170 | 1,418,325 | 15 % |

As the table shows, our other structural data and performance indicators also improved:

| | 2009 | 2008 | Change |
|------------------------------------|--------|--------|--------|
| Acute care clinics | 43 | 38 | 13 % |
| Beds | 15,116 | 13,733 | 10 % |
| Length of stay (days) ¹ | 7.1 | 7.1 | - |
| Post-acute care clinics | 19 | 19 | - |
| Beds | 3,467 | 3,516 | -1 % |
| Length of stay (days) ¹ | 29.7 | 30.1 | 1 % |
| Occupancy ¹ | 83 % | 83 % | - |

¹ Germany only

At the acute care hospitals, the average length of stay was at the excellent previous year's level of 7.1 days. The 83 % occupancy level at the post-acute care clinics was also equivalent to that of the previous year. The average length of stay at the post-acute care clinics improved to 29.7 days.

INVESTMENTS IN HOSPITAL BUILDINGS

In 2009, Fresenius Helios invested € 272 million in its clinics (2008: € 200 million). **Own investments** were € 124 million (2008: € 135 million). € 27 million of this was invested in new buildings under construction at two hospitals in Krefeld; a total of € 180 million will be invested in Krefeld and Hüls by 2014. Other important projects were investments at our Berlin-Buch and Schwerin locations.

| in million € | 2009 | 2008 | Change |
|--|------|------|--------|
| Investments | 272 | 200 | 36 % |
| Own investments in property, plant and equipment | 124 | 135 | -8 % |
| Subsidies ¹ | 69 | 60 | 15 % |
| Acquisitions | 79 | 5 | - |

¹ Total of purpose-related public investment subsidies according to Section 9 of the Hospital Funding Act (KHG).

The purchase price for the five newly acquired clinics was paid in full in 2009. We also have **investment commitments** at these five locations of € 66 million until 2014. € 2 million of company funds were already invested in the new clinics in 2009. These investments assure high long-term standards of medical quality at all locations. The level of **public subsidies** was at the previous year's level of 45 %.

¹ Net income attributable to HELIOS Kliniken GmbH.

WAGE TARIFF AGREEMENT

HELIOS aims to be an attractive employer. HELIOS concluded the first – widely admired – trade union wage tariff agreement in the German hospital market with ver.di (the United Services Union), in force since the end of 2006, followed by an agreement with the Marburger Bund, in force since the beginning of 2007.

In mid-2009, HELIOS concluded a new wage tariff agreement with ver.di which had retroactive effect as of March 2009. Among other things, this provided for pay increases and a one-off payment for non-medical staff, employment programs, and workplace improvements for students and apprentices. The pay scales defined with the Marburger Bund in October 2008 were adopted with retroactive effect for the approximately 3,000 doctors covered by the wage tariff agreement.

POSITION IN THE HOSPITAL MARKET

HELIOS' business model is based on growth through acquisitions. One element of our **acquisition strategy** is the regional proximity of hospitals – sufficiently close to one another to form networks (clusters). Regional clustering enables cost savings, especially by concentrating non-medical services (for example, laundry or catering) in one hospital. Moreover, patients benefit from the bundling of medical expertise from the HELIOS clinics in the region. For instance, doctors on emergency duty can consult the HELIOS Group's stroke centers

via a videoconferencing link. Supported by experts at the larger clinics, they can make an efficient diagnosis and act fast.

After a hospital is acquired, we carry out modernizations. Besides structural improvements, this also includes alterations – in some cases even the construction of completely new buildings – and investment in medical equipment. We also reorganize the hospital's internal processes and implement the proven HELIOS quality management system. This ensures a target-driven, performance-oriented management of the hospital. Our goal is to increase the EBITDA margin of an acute care clinic to 15% within five years after acquisition.

The **restructuring plan** of our acute care clinics includes all clinics within the Group according to their years of consolidation.

In year 5, the negotiated budget for one clinic was not recorded in the financial statements. This is due to the fact that the competent regulatory authority must approve the budget before it becomes effective. Adding this effect to total EBITDA of the acute care clinics, HELIOS again achieved the overall EBITDA restructuring target. Furthermore, the EBITDA in year 5 was influenced by reconstruction at one clinic.

In 2009, we successfully consolidated our position in the German hospital market. The following clinics were added to the HELIOS Group as of January 1, 2009:

- ▶ the HELIOS clinic in Sangerhausen (348 beds)
- ▶ the HELIOS clinic in Lutherstadt Eisleben and

RESTRUCTURING PLAN ACUTE CARE CLINICS 2009

| | Years in portfolio | | | | | | | Total |
|----------------------------|--------------------|------|------|------|------|------|-------|-------|
| | <1 | 1 | 2 | 3 | 4 | 5 | >5 | |
| Number of clinics | – | 6 | 4 | 7 | – | 2 | 24 | 43 |
| Revenue in million € | – | 176 | 244 | 170 | – | 283 | 1,269 | 2,142 |
| Target | | | | | | | | |
| EBITDA margin, in % | n. a. | 3.0 | 6.0 | 9.0 | 12.0 | 15.0 | 15.0 | |
| EBITDA in million € | | 5.3 | 14.6 | 15.3 | – | 42.5 | 190.4 | 268.1 |
| Reported | | | | | | | | |
| EBITDA margin, in % | – | -3.8 | 6.9 | 11.9 | – | 9.3 | 16.6 | 12.5 |
| EBITDA in million € | – | -6.7 | 16.8 | 20.2 | – | 26.4 | 210.3 | 267.0 |
| Number of clinics > target | – | – | 3 | 5 | – | – | 17 | 25 |
| Number of clinics < target | – | 6 | 1 | 2 | – | 2 | 7 | 18 |

Reported figures according to IFRS

- ▶ the HELIOS clinic in Hettstedt (total: 508 beds)
- ▶ the HELIOS Albert Schweitzer Clinic in Northeim (273 beds)
- ▶ the HELIOS clinic in Bad Gandersheim (110 beds).

As an experienced **privatization partner**, HELIOS is in an excellent position to make further acquisitions and will continue to focus on expanding its market position in Germany. Great strides were made in integrating the HELIOS clinics in Krefeld and Hüls. Their admissions once again increased by 4% in only their second year with the HELIOS Group. This was due to the abovementioned measures that HELIOS swiftly implements after successfully acquiring a clinic. They have significantly improved the medical standards at the clinics in Krefeld and have helped remove the public's reservations about a private hospital operator. In fact, HELIOS clinics are perceived as vital providers within the infrastructure of the entire region, not only in Krefeld.

HELIOS SERVICE SPECTRUM

The HELIOS Group offers patients competent services in acute and outpatient care as well as post-acute care and residential care for the elderly. Our goal is to provide high standards of medical care in all areas and at all levels.

Acute care is the group's core focus. 42 acute care clinics cover virtually the whole medical spectrum, with a broad-based portfolio ranging from basic and standard care hospitals through to maximum care hospitals. There are 24 specialist centers attached to the clinics, which also have an excellent reputation outside their local regions.

The total medical care we provide for our patients also includes **outpatient care** needed after they leave the hospital. Possibilities for treatment at the clinic itself, our medical centers, and the collaboration with numerous external doctors enable a seamless integration of outpatient and inpatient care within the HELIOS network. The success of our concept was once again demonstrated by the high number of outpatient admissions in 2009.

Our acute and outpatient care concept is supplemented, both regionally and medically, by our **post-acute care clinics**. The numbers speak for themselves: in 2009, we again treated more than 34,000 patients at our post-acute care clinics.

At our **nursing homes**, the mission is to provide quality residential care with dignity and respect. Residents additionally benefit from the close links with our acute care facilities, which assure fast and optimum treatment.

GOAL: BEST-IN-CLASS MEDICAL RESULTS

In 2009, HELIOS continued its program for further improving the quality of its medical results. A unique **quality management system**, developed in-house, assures continuous improvement in the standards of patient care. More information on quality management and the "Initiative of Quality Medicine (IQ^M)" co-founded by HELIOS can be found on page 83 f. of the Group Management Report.

HELIOS MEDICAL PORTAL

On the HELIOS Medical Portal, we electronically provide external doctors with medical data, diagnoses, and treatment outcomes of their patients, whom we treat at our clinics. Our hospital doctors and the external doctors treating the patients after they leave the clinic can use the portal to retrieve all the relevant documents on their patient, e. g. medical certificates issued when the patient is discharged, surgery reports, laboratory results, x-rays, and other findings. This enables all those involved in a patient's therapy and care to obtain detailed, up-to-date information about the course of a patient's ailment and the therapy. External doctors can use the portal free of charge and access it via a secure, certified data link. Privacy protection is fully assured.

We are continuously striving to improve the standard of medical quality at HELIOS. As always, we will determinedly pursue our goal of achieving a standard of treatment quality that is better than the national average – or other international benchmarks – in all important areas in 2010. For further information, please see Fresenius Helios' website at www.helios-kliniken.de (German only).

Please see pages 103 and 104 of the Management Report for the 2010 financial outlook of Fresenius Helios.

Information on the German hospital market can be found on pages 56 to 57 and 101 to 102 of the Group Management Report.

FRESENIUS VAMED. In 2009, we achieved new optimum values: the order intake as well as the order backlog climbed to a new all-time high. This provides an excellent basis for further growth. Sales and EBIT also achieved outstanding growth rates.

Fresenius Vamed specializes in international projects and services for hospitals and other health care facilities. Our portfolio ranges along the entire **value chain** in the health care area: from consulting, project development, planning, and turnkey construction, via maintenance, to administrative management and total operational management. This entire competency enables us to support health care facilities efficiently and successfully at each level of their life cycle. The company is also a pioneer in public-private partnership (PPP) models for hospitals in Central Europe.

VAMED is one of the world's leading providers of a full line of services for the health care industry. Meanwhile, we hold a unique position with our comprehensive range of

services. We have completed approximately 500 projects in over 50 countries.

BUSINESS DEVELOPMENT

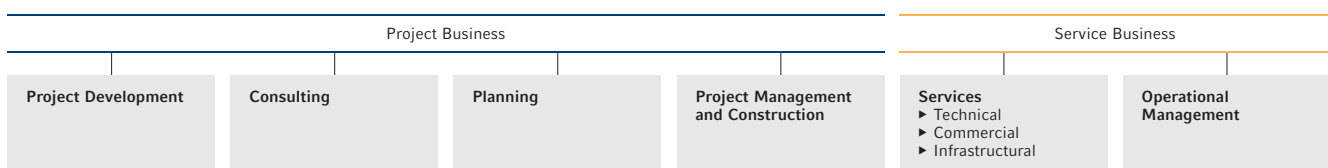
In 2009, Fresenius Vamed achieved excellent **sales** growth of 18 % to € 618 million (2008: € 524 million). The organic sales growth was 15 %.

The table shows the sales development by activity:

| in million € | 2009 | 2008 | Change |
|------------------|------|------|------------------|
| Project business | 420 | 336 | 25 % |
| Service business | 198 | 188 | 5 % ¹ |

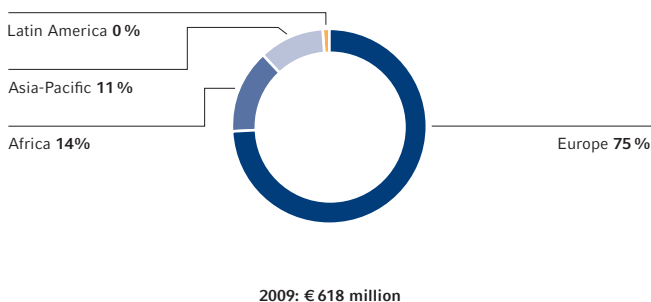
¹ Adjusted for project orders carried-out for the Vienna General Hospital-university clinics (AKH), which were included in the service business in 2008, sales growth was 22 %.

VAMED VALUE CHAIN



In 2009, the strongest region was Europe with 75 % of total sales. Africa and Asia-Pacific contributed 14 % and 11 %, respectively.

SALES BY REGION



In addition, VAMED was responsible for revenues of € 490 million from management contracts in 2009. The related fees are included in VAMED's financial statements.

Order intake and **order backlog** for projects developed excellently and achieved a new all-time high.

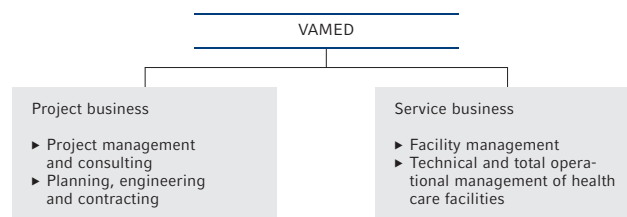
| in million € | 2009 | 2008 | Change |
|-----------------------------|------|------|--------|
| Order intake | 539 | 425 | 27 % |
| Order backlog (December 31) | 679 | 571 | 19 % |

Earnings performance at Fresenius Vamed was very positive. EBIT rose by 20 % to € 36 million (2008: € 30 million). The EBIT margin was 5.8 % (2008: 5.7 %), slightly higher than in prior year.

Since the business is not capital intensive, Fresenius Vamed achieved an excellent return on equity (ROE) before taxes of 22.0 % (2008: 22.2 %).

Net income¹ was € 27 million, an increase of 4 % (2008: € 26 million).

VAMED STRUCTURE



PROJECT BUSINESS

The project business comprises the consulting, project development, planning, turnkey construction, and financing management of projects. VAMED responds flexibly to clients' local needs, providing custom-tailored solutions, all from one source. VAMED also carries out projects in cooperation with partners. Among public clients in particular there is growing interest in **public-private partnerships** (PPPs). With these business models, hospitals or other health care facilities are planned, constructed, financed, and operated by public and private partners together through a joint project company.

Our project business was again very successful in 2009. The following highlights some of our main projects in the respective **target markets**:

EUROPE

We achieved a major success in Germany, winning our first large-scale project engineering contract in Germany for the construction of a new wing at a hospital in Cologne-Merheim. A special feature of this contract is that we will be carrying out the construction work while the hospital is still operating. In addition, consulting, planning and project management contracts for various hospitals round off our successful business acquisition activities in Germany.

In VAMED's home market, Austria, the focus was on the development of further PPP projects and holistic realization models. Additional project assignments were successfully executed within the framework of existing private-public partnerships. The two projects begun in 2008 – the construction of a 150-bed post-acute care clinic in Schruns, Vorarlberg, and a post-acute care center in Gmundnerberg, Upper Austria – are

¹ Net income attributable to VAMED AG.

proceeding according to plan, and will begin operating in 2010. VAMED has been responsible for the planning as well as the execution of the projects and will also be assuming the total operational management when they are completed.

In Russia, work continued according to plan on the turnkey construction of a 300-bed hospital in Krasnodar. It is due to be completed in 2012. Our coverage of the markets in Turkmenistan, Azerbaijan, Kazakhstan, and Uzbekistan was continued intensively in 2009. We won three contracts for the supply of medical equipment in Turkmenistan and a planning contract in Azerbaijan. In Ukraine, we won a large-scale contract for the supply of medical equipment to improve infrastructure in rural areas. The contract will be processed in 2010. The university clinic center 'Blue Hospital' in Bosnia-Herzegovina was successfully completed.

AFRICA

In Gabon, VAMED won a major contract worth over € 80 million. Work started on the turnkey construction of the specialist hospital for cancer diseases in Angondje, which will take about two years. Other extension projects begun in 2008 at the central hospital in Libreville were continued according to the time schedule and on budget.

In Nigeria, we have already handed over to our clients 12 of the 14 total university clinics we are modernizing. The other two hospitals are due to be handed over by the end of 2010.

In Ghana, the turnkey construction of five polyclinics is proceeding on time and on budget. VAMED was awarded the contract in 2008, and it will be completed in 2010 as planned.

In Libya, VAMED won a contract for the complete refurbishment of the existing 450-bed central hospital in Gharian.

ASIA-PACIFIC

Key markets for VAMED in Asia are Malaysia, Vietnam, and China, where VAMED has been operating successfully for many years. Existing contracts there were successfully completed. The contract for the supply of medical equipment to the hospital in Laibin, China, for instance, was executed to the client's complete satisfaction. We also won two new contracts for the supply of medical equipment in China.

In Sri Lanka, we successfully completed our first contract for the supply of medical equipment to 20 hospitals. A follow-on contract in Sri Lanka, which is a new market for VAMED, is currently in the final stages of negotiation.

SERVICE BUSINESS

VAMED offers a full range of facility management services for health care facilities. Modular in design, our service offering encompasses every aspect of technical, commercial, and infrastructural **facility management**, ranging from building and equipment maintenance, medical technology management, waste management, energy management, security services, and the cleaning of buildings and outdoor facilities through to technical and **operational management**. With this integrated portfolio of services we guarantee optimal operation of a facility over its entire life cycle, from the construction of the buildings to the end of primary use, modernization, or renewal. In addition to facility and operational management, we also specialize in **logistics** for the health care industry. By optimizing the processes, logistics costs are minimized while still maintaining the necessary supply standards.

The following gives an overview of the relevant developments in the service business's **target markets**:

EUROPE

In 2009, VAMED successfully continued its more than 20-year-old partnership with university clinic AKH in Vienna. In addition to VAMED's technical management role, which we have been performing since 1986, this included a number of structural building projects. AKH is one of Europe's largest hospitals and comprises 31 clinics and institutes with a total of about 2,100 beds. We also assumed the technical management of two hospitals in Lower Austria with a total of 1,230 beds. After AKH Vienna, this is the largest technical service contract ever awarded in Austria.

The PPP model in Oberndorf near Salzburg is already becoming a reference project for integrated health care before its completion. Here, VAMED was engaged to operate the existing acute care hospital, make structural improvements and extend it, and, with the construction of a new medical and post-acute care center, develop the site into an integrated health care facility.

In Germany, the service contract with the Charité University Clinic in Berlin was renewed for another two years until 2012. Charité CFM Facility Management GmbH, the consortium headed by VAMED, is responsible for all operations at Charité except the purely medical services. In 2009, the approximately 2,600 employees again successfully carried out their services under this contract, which is one of the largest service contracts in the hospital sector in Europe. The service contract with the university clinic in Hamburg-Eppendorf was also continued to the customer's complete satisfaction. It was already renewed in 2008 and runs until 2013. A new cooperation was forged with the university clinic Schleswig-Holstein with the aim of improving the quality of IT-services and operating the IT-infrastructure more efficiently. The cooperation was initially approved for five years.

ASIA-PACIFIC

At the international level, VAMED scored a major success in Kazakhstan: we were awarded the contract for the total operational management of the National Research Center for Maternity and Child in Astana with about 500 beds. After the Prince Court Medical Center (PCMC) in Kuala Lumpur, Malaysia, and the Al Ain Hospital in Abu Dhabi, United Arab Emirates, this is the third hospital in our target markets in Asia where we are responsible for the total operational management. All three projects are being conducted in cooperation with the Vienna University of Medicine and are important reference projects for VAMED's all-round competence internationally.

Through close market coverage, business in Thailand has also developed very positively for VAMED. We succeeded in winning a consulting contract for the Potalai Medical Spa and another for the Mahidol University in Bangkok. We were also awarded two contracts for technical services: one for the Ramathibodi University Clinic and one for the Queen Sirikit Hospital.

AFRICA

In Gabon, VAMED is responsible for the overall management of a total of seven regional hospitals and for the technical management of the Omar Bongo Ondimba Hospital in Libreville.

In Libya, the Medical Center Tripoli is one of the most important technical management reference projects. In 2009, VAMED was also engaged to implement a total hygiene concept at the center according to European standards.

VAMED VITALITY WORLD

As a result of the new health consciousness trend and desire for vitality, **thermal and wellness centers** are acquiring ever greater importance as health facilities. We are responding to this trend with our VAMED Vitality World thermal resorts and have been designing, constructing, and operating projects successfully for many years.

In partnership with the City of Vienna, the thermal center in Vienna-Oberlaa is currently being expanded into a unique health and wellness center. The contract for this project is worth over € 100 million. It is due to be completed by the end of 2010.

In 2009, we also continued to work successfully on the € 80 million Tauern SPA World thermal center project in Kaprun, Salzburg. For this exceptional spa project, VAMED was not only the developer but, as general contractor, was also responsible for building it and will also be operating it when it is completed, demonstrating its competence across the complete value chain.

In November 2009, we opened the St. Martins Thermal Center & Lodge in the Seewinkel Lake District in Austria after only 22 months' construction. It combines, in unique fashion, the attractions of a health tourism facility with the natural splendor of the surrounding national park 'Neusiedler See' in Burgenland.

OUTLOOK

In Europe, the focus of VAMED's activities will be on holistic realization and PPP projects in 2010. As health centers have high value for preventive care, and health tourism is becoming increasingly popular, we see development potential in this segment as well. Outside Europe, the focus will be on customized solutions for hospitals along the VAMED value chain, and expansion in Latin America.

Further information on VAMED can be found on www.vamed.com.

Please see page 104 of the Management Report for the 2010 financial outlook of Fresenius Vamed.