



To Our Shareholders:

Fresenius made significant progress and achieved record sales and earnings in 2009. Our global presence and diversified portfolio of products and services paid off in a challenging economic environment. We seized our opportunities for growth through our cutting-edge products and services, uncompromising quality and international expansion. Our aim is to continue providing the very best for our patients.

Our company fully met the financial outlook we provided in February 2009 for the Group and each of its business segments, despite the economic and financial crisis. All of our business segments achieved significant sales and earnings growth, and reached or even exceeded their targets. We increased Group sales in constant currency by 13 percent to €14.2 billion, beating our forecast of just over 10 percent. Earnings increased by 14 percent in constant currency and before special items to €514 million, exceeding our projection of about 10 percent. We are proud of these achievements, and I sincerely thank the Group's employees for their outstanding contributions and untiring commitment toward achieving these results.

Financial markets closely monitored the progress of APP Pharmaceuticals, which we acquired in 2008. Through this acquisition, Fresenius Kabi entered the U.S. pharmaceutical market and achieved a leading position in its fastest-growing product segment of intravenously administered drugs. While we further advanced the integration of APP Pharmaceuticals into Fresenius Kabi in 2009, we faced delays in the approval and market launch of new products. We will accelerate these processes to take advantage of growth opportunities in this market.

We will continue pursuing our long-term corporate strategy and remain focused on sustainable and profitable growth. In this challenging economic environment, we continue to benefit from the noncyclical nature of our business. The Group's diversification across four strong business segments provides additional stability and balance. Our clearly defined goals are:

- ▶ All business segments are focused on organic growth. As in the past five years, our target is to achieve an annual organic sales growth of 6 to 9 percent for the Group. We will further expand our business in Europe and North America and aim to achieve above-average growth in Asia-Pacific and Latin America.
- ▶ Innovation and quality are imperative to our patients. At the same time, health care must remain affordable, and we are serious about taking on this challenge. We will continue to invest heavily in innovation, quality and efficiency for the benefit of our patients.
- ▶ In addition to sustained organic growth, we aim to expand our business through small and mid-sized acquisitions. In light of ongoing market consolidation, we see opportunities for selective acquisitions across all our segments.
- ▶ We will continue to manage Fresenius with commercial prudence. Our particular focus is on integrating acquisitions into the Group promptly and smoothly.
- ▶ We will further improve our debt ratios following the substantial investments in growth. This year, we aim to achieve a net debt/EBITDA ratio of less than 3.0.

Finally, let me also provide you with a reliable financial outlook for Fresenius in 2010. In constant currency, we expect to increase sales by 7 to 9 percent and net income by 8 to 10 percent before special items relating to the mandatory exchangeable bonds and contingent value rights.

Thank you for your continued trust and support.



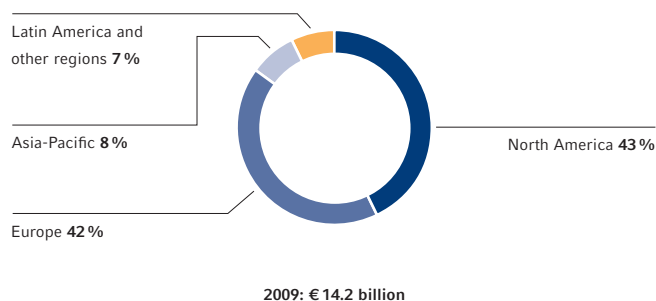
Dr. Ulf M. Schneider
Chairman of the Management Board

SUMMARY OF THE FISCAL YEAR

SALES. Consolidated sales increased by 15 % to € 14,164 million in 2009 (2008: € 12,336 million). Excellent organic growth of 8 % was achieved, while acquisitions contributed 5 %. Currency translation effects had a positive impact of 2 %.

EARNINGS. Operating income (EBIT) grew by 19 % to € 2,054 million (2008 adjusted: € 1,727 million). All the business segments contributed to this substantial growth. The EBIT margin increased to 14.5 % (2008 adjusted: 14.0 %).

SALES BY REGION



EARNINGS

in million €	2009	2008	Change	Change in constant currency
EBIT	2,054	1,727 ¹	19 %	17 %
Net interest	-580	-431	-35 %	-35 %
Income taxes, adjusted	-463	-433	-7 %	-5 %
Noncontrolling interest	-497	-413	-20 %	-16 %
Net income, adjusted	514²	450 ¹	14 %	14 %

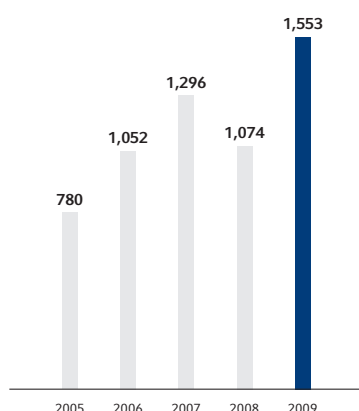
¹ Before special items relating to the APP acquisition.

² Net income attributable to Fresenius SE; adjusted for the effects of mark-to-market accounting of the MEB and the CVR.

- ▶ In North America, sales increased by 16 % in constant currency. This was mainly due to the consolidation of APP Pharmaceuticals from September 2008.
- ▶ In Europe, sales grew by 11 % in constant currency, with organic sales contributing 7 %.
- ▶ In emerging markets, strong organic growth rates continued, achieving 9 % in Asia-Pacific and 12 % in Latin America.
- ▶ Group net interest was € -580 million (2008: € -431 million). The increase compared to the prior-year figure is due to incremental debt related mainly to the acquisition of APP Pharmaceuticals.
- ▶ Adjusted net income² grew by an excellent 14 % to € 514 million. Adjusted earnings per ordinary and preference share each rose by 12 %.

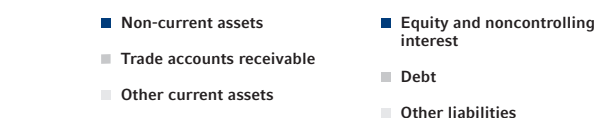
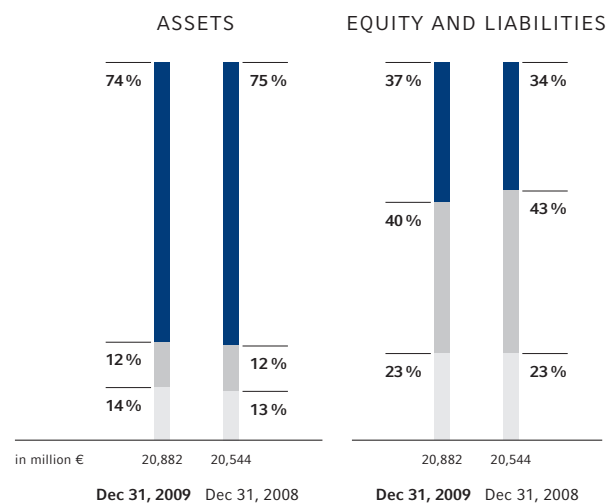
CASH FLOW. Operating cash flow grew by 45 % to € 1,553 million driven by strong earnings growth and tight working capital management.

OPERATING CASH FLOW IN MILLION €



- ▶ The operating cash flow margin increased to 11.0 % (2008: 8.7 %).
- ▶ Cash flow before acquisitions and dividends increased strongly to € 891 million (2008: € 338 million), mainly due to lower net capital expenditure in property, plant and equipment.
- ▶ After acquisitions and dividends we also achieved excellent cash flow of € 389 million.

BALANCE SHEET. Total assets rose by 2 % to € 20,882 million. In constant currency, the increase was 3 %. Shareholders' equity, including noncontrolling interest, increased by 10 % to € 7,652 million.



- ▶ The equity ratio, including noncontrolling interest, increased to 36.6 %.
- ▶ Group debt decreased to € 8,299 million (December 31, 2008: € 8,787 million), amongst others due to the repayment of debt from free cash flow.
- ▶ The net debt/EBITDA ratio improved significantly to 3.0 (December 31, 2008: 3.6).

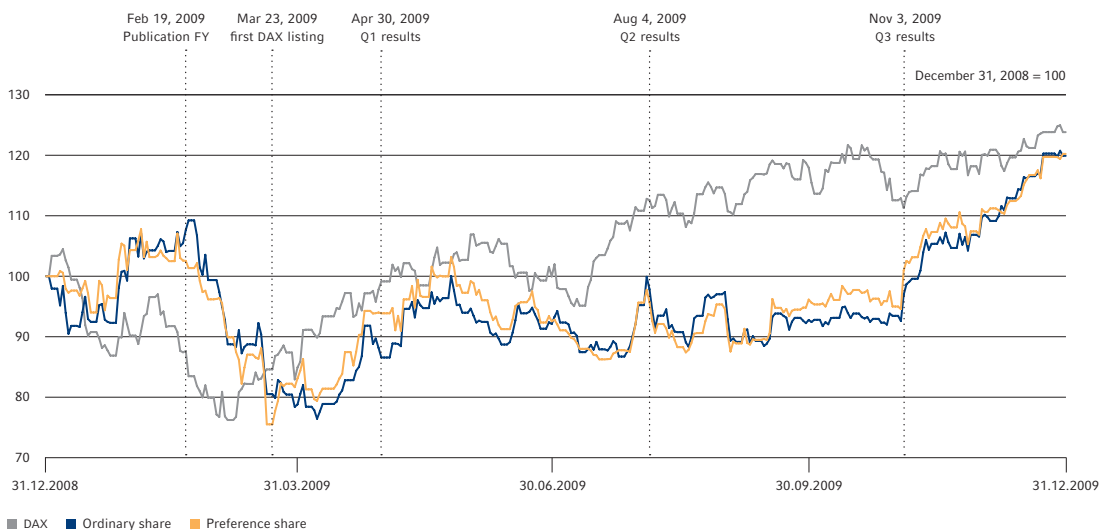
FRESENIUS SHARES. In the beginning of 2009, stock markets were still suffering under the impact of the economic crisis. However, after a swing in investor sentiment, the equity market regathered momentum and many indices closed at year-end highs. Fresenius shares lagged behind this trend, despite positive financial results, but staged a strong finish: ordinary shares closed with a gain of 22 %, preference shares with 20 %.

STOCK MARKETS

Stock markets started off the year with sharp setbacks against the backdrop of the **global financial market crisis**, combined with concerns over the need for still greater capital injections and the possibility of further nationalizations in the banking

sector. Equity markets managed to steady, bolstered by a number of huge rescue packages by central banks and governments. At the same time, investors increasingly came to realize that the financial system would not collapse and that a world economic turnaround was possible. Together with the

RELATIVE SHARE PRICE PERFORMANCE ORDINARY AND PREFERENCE SHARES VS. DAX



optimism felt by many investors, this led to a broad market swing and, apart from minor corrections, the ensuing upward trend continued through to the end of 2009, with shares and indices posting strong gains. The **DAX** reached its low for the year of 3,666 points at the beginning of March 2009. Starting out from a level that was well below that at the beginning of the year, the DAX then gained strongly in the second half of the year, reaching a year high of 6,112 points in December 2009. The DAX closed the year at 5,957 points, a gain of 24 % over the year. The DAX also did quite well in comparison with other European blue chip indices. The **Euro Stoxx 50** gained 21 % in 2009. The European **Dow Jones Stoxx 600** Index closed 2009 with a gain of 28 %. The best performing sectors in this index were Basic Resources (101 %), Banks (47 %), and Chemicals (44 %), while Insurance (13 %), Telecommunications (11 %), and Utilities (1 %) were the worst three performers. The leading US indices also posted strong gains. The **S & P 500** closed 2009 with a gain of 23 %, while the **Dow Jones Industrial Average** was up 19 %.

FRESENIUS SHARES

In the first half of 2009, the prices of both our ordinary shares and preference shares moved in tandem with the DAX, albeit with a time lag. In the second half, Fresenius shares did not keep pace with the DAX's strong rise, but managed to close the gap by the end of the year.

At the beginning of the year, Fresenius shares were not able to decouple from the generally negative trend, but, as defensive stocks, held up better than the DAX through to mid-March 2009. **Preference shares** reached their **low** for the year, € 31.40, on March 20, 2009, shortly before their first listing on the DAX. On March 23, 2009, Fresenius SE preference shares were admitted to the index of the top 30 listed German companies. **Ordinary shares** reached their **low** for the year, € 27.69, on April 7, 2009. Both classes of share then recovered along with a broad market turnaround and the release of good results for the first quarter of 2009. In the further course of the year, the optimistic underlying sentiment in the market then led to a switch from more defensive stocks into cyclical stocks. Our shares did not keep pace with the DAX's strong rally to its high for the year in the second half of the year. After the publication of the six-month results, news of delayed product approvals at APP Pharmaceuticals,

acquired in 2008, led to subdued share performance despite good results and increased guidance for some business segments. Both classes of share lagged behind the DAX's performance, and only managed to catch up towards the end of the year, after positive results were announced for the third quarter of 2009. With a strong finishing spurt, Fresenius shares managed to close the gap versus the indices almost completely by the end of the year. **Ordinary shares** closed the year at € 43.45 after reaching their year **high** of € 43.76 shortly before December 29, 2009. The **preference share's high** for the year, € 50.01, was reached with its closing price on December 30, 2009. The ordinary share gained 22 % – and the preference share 20 % – over their opening prices at the beginning of the year. In terms of full-year performance in 2009, Fresenius preference shares came in 17th place on the DAX.

Fresenius SE's **market capitalization** was € 7.5 billion as of December 31, 2009, an increase of 19 % compared to December 31, 2008. As the table shows, the average daily **trading volume** in Fresenius shares on **Xetra** was slightly lower in 2009 than in 2008. DAX trading volume decreased even more, by 32 %, in the same time period.

XETRA TRADING VOLUME

	Average trading volume 2009 No. of shares	Average trading volume 2008 No. of shares	Change in %
Ordinary share	72,012	79,081	-9
Preference share	500,509	566,635	-12

Fresenius shares are listed on stock exchanges in Frankfurt am Main, Düsseldorf, and Munich. Fresenius is included in Germany's leading index, the DAX, as well as the Prime Standard Pharma and Healthcare Index, and the Dow Jones Stoxx 600.

CAPITAL STRUCTURE

Stock options on ordinary and preference shares under the 1998 and 2003 stock option plans were exercised to a small extent in 2009, increasing the number of ordinary and preference shares by 85,821 each. Further information on the stock option plans can be found on pages 179 to 184 of the Annual Report.

At the end of 2009, there were 80,657,688 bearer ordinary shares and 80,657,688 bearer preference shares outstanding.

DIVIDEND

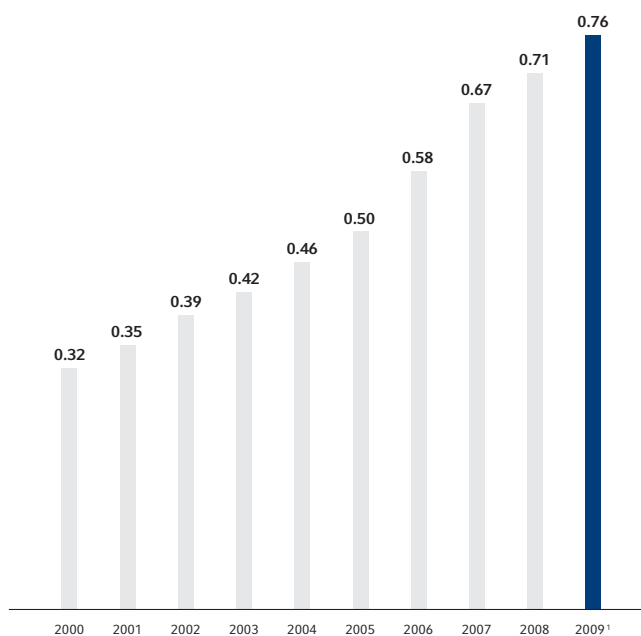
Based on the Group's excellent financial results, we intend to increase the dividend for 2009 and thus continue our **earnings-linked dividend policy**. For the 17th consecutive year, we are proposing to our shareholders a dividend increase to € 0.75 (2008: € 0.70) per ordinary share and € 0.76 (2008: € 0.71) per preference share – an increase of 7 % per share. The total proposed dividend distribution will be € 121.8 million, equivalent to 24 % of Group net income before special items. Based on the proposed dividend and the closing prices of our shares at the end of 2009, the dividend yield would be about 1.7 % for ordinary shares and 1.5 % for preference shares. This is slightly below the previous year's level of 1.9 % and 1.7 %, respectively.

We have added a total return calculator as a service on our website at www.fresenius.com in the Investor Relations/Shares/Share Price section. You can use the calculator to determine the total return on your Fresenius shares, including dividend payments.

SHAREHOLDER STRUCTURE

The Else Kröner-Fresenius Foundation is the largest shareholder of Fresenius SE, with approximately 58 % of the voting shares. Allianz Lebensversicherungs-AG claims to hold between 5 and 10 % of the voting shares. In addition, we have

DEVELOPMENT OF PREFERENCE SHARE DIVIDENDS IN €



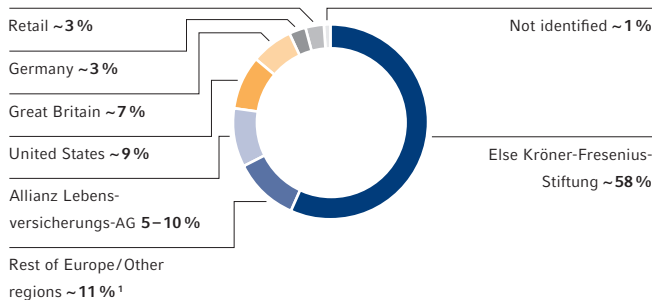
¹ Proposed

received notifications pursuant to the German Securities Trading Act (WpHG) from Fidelity. For further details please see page 162 of the Notes.

At the beginning of 2010, a **shareholder survey** covering 97 % of our subscribed capital identified the ownership of 99 % of the ordinary shares and 94 % of the preference shares. According to this survey, a total of 329 institutional investors held about 91.0 million shares (56 % of subscribed capital). This was split into 24.4 million ordinary shares (30 % of the ordinary shares) and 66.6 million preference shares (83 % of the preference shares). 2.8 million ordinary shares and 8.9 million preference shares were identified as retail holdings. The **top ten investors** hold approximately 9 % of the ordinary share capital and approximately 30 % of the preference share capital. Both classes of share are mostly held by investors in Germany, Great Britain, and the United States.

The analysis of our shareholder structure provides us with valuable information on the current structure and any changes

SHAREHOLDER STRUCTURE ORDINARY SHARES



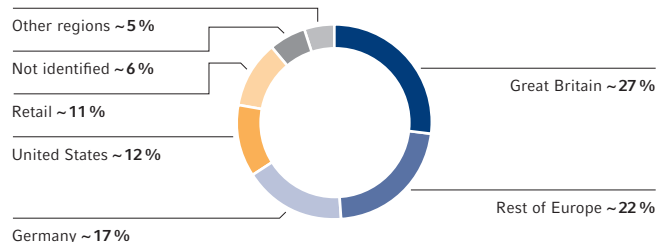
¹ Thereof Other regions ~1%

that have occurred. The regional distribution of our institutional investors, for instance, serves as a good basis for the targeted planning and adjustment of our roadshow activities. The latest survey showed that our shareholder base is solid even in times of market turbulence. This confirms we are right in pursuing our path of intensifying the dialogue with institutional investors and our roadshow activities in Europe and the United States.

EARNINGS PER SHARE

Adjusted for special items relating to the acquisition of APP Pharmaceuticals, the Fresenius Group achieved adjusted earnings per ordinary share of € 3.18 and adjusted earnings per preference share of € 3.19 in 2009 (2008 adjusted: € 2.85

SHAREHOLDER STRUCTURE PREFERENCE SHARES



per ordinary share; € 2.86 per preference share). Further details on earnings performance and information on adjusted earnings per share can be found on page 58 of the Management Report and on page 137 of the Notes.

ANALYST RECOMMENDATIONS

The recommendations published by financial analysts are an important guide for institutional as well as private investors when making investment decisions. According to our survey, as of February 19, 2010 we were rated with 22 "buy" recommendations, 3 "hold" recommendations, and 2 "sell" recommendations. This reflects analysts' confidence in the long-term earning power of the Fresenius Group and the potential

both for our business and for our shares. The following table lists the banks which provide regular analyst coverage of Fresenius and their latest recommendations.

ANALYST RECOMMENDATIONS

Bankhaus Lampe	February 2010	Buy
Bankhaus Metzler	November 2009	Buy
Barclays Capital	January 2010	Overweight
Cheuvreux	January 2010	Outperform
Citigroup	November 2009	Sell
Commerzbank	October 2009	Add
Credit Suisse	January 2010	Outperform
Deutsche Bank	February 2010	Hold
DZ Bank	February 2010	Buy
equinet AG	November 2009	Reduce
Equita	November 2009	Buy
Exane BNP Paribas	February 2010	Outperform
Goldman Sachs	November 2009	Buy
Jefferies	February 2010	Buy
Kepler Capital	January 2010	Buy
LBBW	December 2009	Buy
MainFirst Bank	November 2009	Neutral
M. M. Warburg	November 2009	Hold
Morgan Stanley	February 2010	Overweight
NordLB	November 2009	Buy
Piper Jaffray	November 2009	Overweight
Redburn Partners LLP	November 2009	Buy
Sal. Oppenheim	November 2009	Buy
Société Générale	November 2009	Buy
UBS	February 2010	Buy
UniCredit	January 2010	Buy
WestLB	February 2010	Add

INVESTOR RELATIONS

Our Investor Relations activities are in accordance with the transparency rules of the German Corporate Governance Code. We pursue comprehensive, timely, and open communication with private and institutional investors as well as financial analysts. The equal treatment of all market actors is very important to us in our day-to-day communication.

In 2009, we intensified our **dialogue with the capital market** in order to enable investors and analysts to make a fair assessment of Fresenius Group's business situation and market conditions. In addition to the annual analysts' meeting and the quarterly conference calls/webcasts, Fresenius also made presentations in important financial markets in Europe and the United States. Regular contacts were further extended at 17 international investor conferences, 17 roadshows, and numerous one-on-one meetings with institutional investors and analysts. In collaboration with banks, we also conducted so-called field trips, where we combine tours of our production facilities for investors and analysts with discussions with the Management Board.

We also continued dialogue with our private investors. The internet is an important tool for us in this regard. Our private shareholders can follow live webcasts of the quarterly conference calls and annual analysts' meeting on our website at www.fresenius.com. Presentations can be downloaded shortly before and, of course, after the events in the Investor Relations section under 'Presentations'. We also publish all presentations given at international investor conferences. We intend to make further improvements in the ways we communicate with private shareholders and would welcome any suggestions you may care to make. In 2010, we also plan to increase the information content of our website.

In 2009, we received important **commendations** for the standard of our financial communications. In the competition for the best annual report conducted by the German business magazine manager magazin, which analyzed about 200 annual reports published by German and European companies, we placed 10th in the DAX category and 13th in the overall ranking. In addition, we again received the Platinum Award for our annual report in the category 'Health Care – Equipment & Supplies' from the League of American Communications Professionals (LACP). Fresenius ranked 100th in the overall rating for all categories. More than 3,500 companies from over 20 countries took part in this contest. Fresenius SE's online annual report also won the Gold Award at the LACP 2009 spotlight awards in the EMEA & Asia-Pacific category. In 2009, the jury consisting of communications experts from different sectors and functions reviewed a total of more than 1,000 online

annual reports. The jury was particularly impressed by the strict conceptual layout of the content, the appealing digital design, and the numerous flash elements, which gave the report a dynamic, interactive structure.

If you would like to contact us or find out about key dates in our financial calendar 2010, please take a look at the last page of this report or visit us at www.fresenius.com in the section 'Investor Relations'.

KEY DATA OF THE FRESENIUS SHARES

	2009	2008	2007	2006	2005
Number of shares	161,315,376	161,143,734	155,164,770	51,451,292	50,722,280
Ordinary shares	80,657,688	80,571,867	77,582,385	25,725,646	25,361,140
Preference shares	80,657,688	80,571,867	77,582,385	25,725,646	25,361,140
Stock exchange quotation ordinary share ¹ in €					
High	43.76	60.87	63.35	51.32 ²	36.38 ²
Low	27.69	31.93	50.17	35.47 ²	25.19 ²
Year-end quotation	43.45	36.23	56.00	50.57 ²	35.33 ²
Stock exchange quotation preference share ¹ in €					
High	50.01	59.25	63.12	55.32 ²	39.83 ²
Low	31.40	37.23	50.70	37.41 ²	22.97 ²
Year-end quotation	50.01	41.59	56.90	54.27 ²	38.22 ²
Market capitalization ³ in million €	7,538	6,270	8,759	8,091	5,596
Beta factor ⁴	0.29	0.85	0.80	0.88	0.74
Total dividend distribution in million €	121.8⁵	113.6	103.2	88.8	75.8
Per share in €					
Dividend ordinary share	0.75⁵	0.70	0.66	0.57	0.49 ²
Dividend preference share	0.76⁵	0.71	0.67	0.58	0.50 ²
Earnings per ordinary share	3.18⁶	2.85 ⁷	2.64	2.15 ²	1.76 ²
Earnings per preference share	3.19⁶	2.86 ⁷	2.65	2.16 ²	1.77 ²

¹ Xetra closing prices on the Frankfurt Stock Exchange.

² Adjusted for share split.

³ Total number of ordinary and preference shares multiplied by the respective Xetra year-end quotation on the Frankfurt Stock Exchange.

⁴ Fresenius preference share (source: Bloomberg)

⁵ Proposal

⁶ Adjusted for special items resulting from changes in the market value (mark-to-market accounting) of the Mandatory Exchangeable Bonds (MEB) and Contingent Value Rights (CVR) in connection with the acquisition of APP Pharmaceuticals.

⁷ Before special items relating to the APP acquisition.