



## Financial Reporting / Financial Targets



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**Capital Market Day Fresenius Kabi, December 8, 2004**

# Agenda

- **Financial Key Figures**
- **Financial Reporting**
- **Financial Targets**

# Fresenius Kabi – Key Figures

P+L

€m	Q1-3 2004	Q1-3 2003	
Sales	<b>1,105</b>	1,082	
Cost of goods sold	<b>647</b>	644	
Gross profit	<b>458</b>	438	<ul style="list-style-type: none"> <li>▪ Production improvements</li> <li>▪ Product mix</li> </ul>
%	<b>41.4</b>	40.5	
SG&A	<b>287</b>	296	<ul style="list-style-type: none"> <li>▪ Cost discipline</li> <li>▪ Leverage on existing structure</li> </ul>
%	<b>25.9</b>	27.4	
R&D expenses	<b>42</b>	35	<ul style="list-style-type: none"> <li>▪ Increasing R&amp;D initiatives, target range: 4 - 5 % of sales</li> </ul>
%	<b>3.8</b>	3.2	
EBIT	<b>129</b>	107	
EBIT margin %	<b>11.7</b>	9.9	
EBITDA	<b>190</b>	164	
EBITDA margin %	<b>17.2</b>	15.2	

# Fresenius Kabi – Key Figures

P+L

€m	Q1-3 2004	Q1-3 2003	
Sales	<b>1,105</b>	1,082	▪ 65 % of sales generated in €
EBIT	<b>129</b>	107	
EBIT margin %	<b>11.7</b>	9.9	
Net interest	<b>35</b>	33	▪ Slightly higher interest rate due to 2003 refinancing
Earnings before taxes and minority interests	<b>94</b>	74	
Income taxes	<b>32</b>	25	
Tax rate %	<b>34.0</b>	33.8	▪ Tax rate in the mid-thirties
Minority interests	<b>5</b>	5	▪ Joint ventures in China
Net income	<b>57</b>	44	

# Fresenius Kabi – Key Figures

## Operating Cash Flow and Free Cash Flow

€m	Q1-3 2004	Q1-3 2003	
Net income (incl. minority interests)	<b>62</b>	49	▪ 26 % increase
Depreciation / amortization	<b>61</b>	57	
Working capital	<b>- 5</b>	1	
Cash flow from operations	<b>118</b>	107	▪ Sustainable cash generation
Margin %	<b>10.7</b>	9.9	
CAPEX, net	<b>22</b>	34	▪ Phasing issue in 2004 ▪ Target range: ~ 4 - 5 % of sales
Free cash flow before acquisitions and dividends	<b>96</b>	73	
Acquisitions	<b>8</b>	1	▪ Selected acquisitions
Free cash flow	<b>88</b>	72	

# Fresenius Kabi – Key Figures

## Balance Sheet

€m	Sep 30, 2004	Dec 31, 2003	
Accounts receivable	<b>357</b>	340	▪ DSO (Sep 30, 04): 88
Inventories	<b>246</b>	230	▪ SOI (Sep 30, 04): 116
PPE + goodwill	<b>697</b>	726	▪ Goodwill (Sep 30, 04): 245 €m
All other assets	<b>232</b>	214	
<b>Total assets</b>	<b>1,532</b>	1,510	
Debt	<b>704</b>	739	▪ Net debt/EBITDA (Sep 30, 04): 2.5
Other liabilities	<b>484</b>	448	
Equity (incl. minority interests)	<b>344</b>	323	▪ Equity ratio: 22 %
<b>Total liabilities and shareholders' equity</b>	<b>1,532</b>	1,510	

# Fresenius Kabi – Key Figures

## ROIC

€m	Q1-3 2004	FY 2003
EBIT	129	147
- Taxes on EBIT	- 44	- 45
<b>NOPAT (Net Operating Profit after Taxes)</b>	<b>85</b>	102
Total assets	1,521	1,519
- Tax assets	- 91	- 85
- Cash	- 44	- 40
- Accrued expenses and other current liabilities / payables	- 314	- 310
+ Accumulated goodwill amortization	90	90
Invested capital	1,162	1,174
<b>ROIC</b>	<b>9.8 %</b>	8.7 %

Calculated at average balance sheet data

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# Fresenius Kabi – Reporting Principles

## General

Financial Statements in accordance with US-GAAP

## Segment Reporting

- Fresenius Kabi's reporting reflects its regional organization
- Internal segment reporting mirrors management approach
- External segment reporting is adapted accordingly

# Fresenius Kabi – Sales Reporting Structure

€m	Q1-3 2004	Q1-3 2003	Organic Growth
<b>By Region</b>			
Germany	300	321	- 6 %
Europe excl. Germany	529	510	6 %
<b>Europe</b>	<b>829</b>	<b>831</b>	<b>1 %</b>
Asia-Pacific	115	104	20 %
Latin America	60	60	12 %
RoW	101	87	17 %
<b>International</b>	<b>276</b>	<b>251</b>	<b>16 %</b>
<b>Total Sales</b>	<b>1,105</b>	<b>1,082</b>	<b>5 %</b>

# Fresenius Kabi – Sales Reporting Structure

€m	Q1-3 2004	Q1-3 2003	Organic Growth
<b>By Product Segment</b>			
<b>Infusion Therapy</b>	<b>561</b>	<b>550</b>	<b>6 %</b>
<b>Clinical Nutrition</b>	<b>463</b>	<b>458</b>	<b>2 %</b>
<b>Transfusion Technology</b>	<b>81</b>	<b>74</b>	<b>11 %</b>
<b>Total Sales</b>	<b>1,105</b>	<b>1,082</b>	<b>5 %</b>

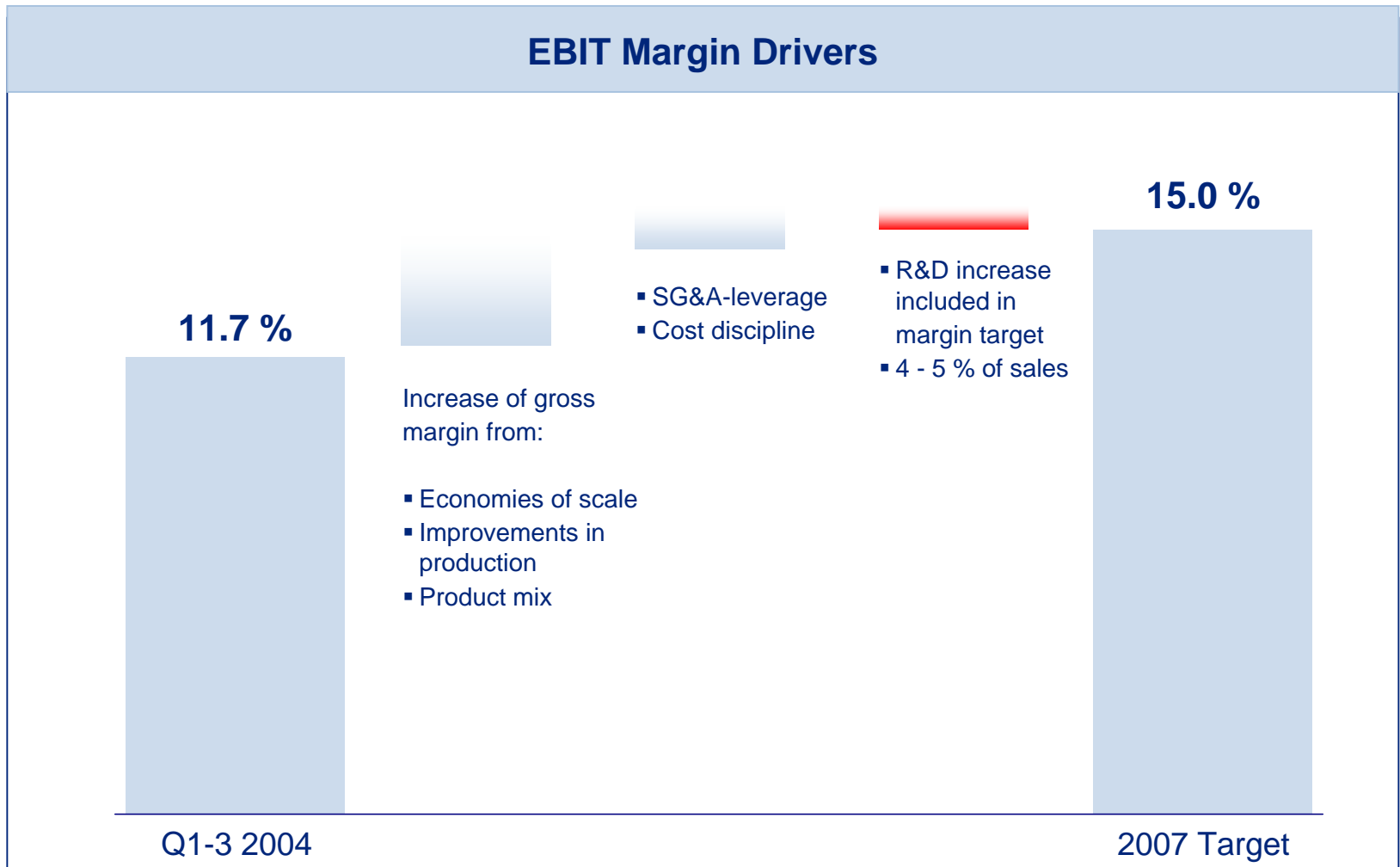
# Fresenius Kabi – EBIT Reporting Structure

€m	Q1-3 2004	Q1-3 2003
<b>By Region</b>		
<b>Europe</b> EBIT margin %	<b>129</b> 15.6	<b>115</b> 13.8
<b>International</b> EBIT margin %	<b>39</b> 14.1	<b>25</b> 10.0
Corporate / Corporate R&D	- <b>39</b>	- <b>33</b>
<b>Total EBIT</b> EBIT margin %	<b>129</b> 11.7	<b>107</b> 9.9

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# Fresenius Kabi – EBIT Margin



# Fresenius Kabi – Financial Targets

**Sales Growth (organic)**

Mid-single digit

**Increase Profitability**

EBIT margin: 15 % by 2007

**Sustainable Cash Flow Development**

- Cash flow from operations: ~ 10 % of sales
- Free cash flow: ~ 6 % of sales  
(before acquisitions and dividends)

This presentation contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of clinical trials, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. Fresenius does not undertake any responsibility to update the forward-looking statements contained in this presentation.



## Capital Market Day



December 8, 2004