

Fresenius Receives Safety Award



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Fresenius Medical Care North America (“FMCNA”), the North American division of **Fresenius Medical Care** (NYSE: FMS -News), recently received the “Safety in Excellence” Award from **CNA Financial Corporation** (NYSE: CNA - News), the seventh largest U.S. commercial insurer.

The award, which was presented at CNA’s headquarters in Chicago, recognizes the company’s leadership and commitment to employee health, safety, loss prevention and risk control. FMCNA, for twelve years, has demonstrated significant reductions in employee injury rates.

Fresenius is the largest provider of dialysis products and services on the planet. The company operates a network of 2,769 dialysis clinics across North America and overseas markets to provide dialysis treatment to 216,942 patients worldwide.

Dialysis treatment is required by victims of chronic kidney failure, a condition that affects over 2 million people globally each year. Fresenius’ principal competitor in the U.S. is **DaVita Inc.** (NYSE: DVA - News), which provides dialysis services to patients suffering from chronic kidney failure or end-stage renal disease.

Fresenius’ second-quarter 2011 revenues rose 8% year over year to \$3,194 million with dialysis services and dialysis product sales climbing 6% and 15%, respectively. Profit rose 5% year over year to \$261 million.

North American sales were flat year over year, impacted by the implementation of the new Medicare end-stage renal disease prospective payment system (the “bundled rate” system), which resulted in a cap on reimbursement. International sales cruised 26% year over year boosted by solid double-digit growth in dialysis services and product revenues.

During the quarter, the company provided roughly 16.56 million (up 9% year over year) dialysis treatments globally including 10.62 million treatments in North America. Fresenius has reaffirmed its revenues and earnings guidance for fiscal 2011.

Fresenius, in July 2011, completed its acquisition of Euromedic International’s dialysis service division International Dialysis Centers (“IDC”). The acquisition enables the company to expand its role in the dialysis care business, mainly in the fast-growing Eastern European markets.

Moreover, Fresenius, in its second quarter call, noted that it has agreed to buy U.S. based American Access Care Holdings for \$385 million. American Access runs outpatient clinics, which serve the vascular access needs of dialysis patients. Fresenius has also announced an agreement to acquire leading dialysis company Liberty Dialysis Holdings Inc. for \$1.7 billion. The company is expected to spend roughly \$1.9 billion on acquisitions in 2011.