

CONSOLIDATED STATEMENT OF INCOME

January 1 to December 31, in million €	Note	2007	2006
Sales	3	11,358	10,777
Cost of sales	4	-7,680	-7,351
Gross profit		3,678	3,426
Selling, general and administrative expenses	7	-1,885	-1,815
Research and development expenses		-184	-167
Operating income (EBIT)		1,609	1,444
Interest income	8	27	23
Interest expenses	8	-395	-418
Earnings before income taxes and minority interest		1,241	1,049
Income taxes	9	-448	-414
Minority interest	23	-383	-305
Net income		410	330
Basic earnings per ordinary share in €	10	2.64	2.15
Fully diluted earnings per ordinary share in €	10	2.61	2.12
Basic earnings per preference share in €	10	2.65	2.16
Fully diluted earnings per preference share in €	10	2.62	2.13

The following Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

ASSETS

as of December 31, in million €	Note	2007	2006
Cash and cash equivalents	11	361	261
Trade accounts receivable, less allowance for doubtful accounts	12	2,159	2,088
Accounts receivable from and loans to related parties		8	8
Inventories	13	875	761
Prepaid expenses and other current assets	14	603	730
Deferred taxes	9	285	258
I. Total current assets		4,291	4,106
Property, plant and equipment	15	2,971	2,712
Goodwill	16	7,094	7,107
Other intangible assets	16	546	548
Other non-current assets	14	290	378
Deferred taxes	9	132	173
II. Total non-current assets		11,033	10,918
Total assets		15,324	15,024

LIABILITIES AND SHAREHOLDERS' EQUITY

as of December 31, in million €	Note	2007	2006
Trade accounts payable		485	464
Short-term accounts payable to related parties		5	2
Short-term accrued expenses and other short-term liabilities	17, 18	1,897	1,808
Short-term borrowings	19	362	330
Short-term loans from related parties		–	1
Current portion of long-term debt and liabilities from capital lease obligations	19	115	265
Current portion of trust preferred securities of Fresenius Medical Care Capital Trusts	22	455	0
Short-term accruals for income taxes		158	159
Deferred taxes	9	26	29
A. Total short-term liabilities		3,503	3,058
Long-term debt and liabilities from capital lease obligations, less current portion	19	2,887	3,230
Senior Notes	20	1,434	1,100
Long-term liabilities and loans from related parties		0	–
Long-term accrued expenses and other long-term liabilities	17, 18	326	300
Trust preferred securities of Fresenius Medical Care Capital Trusts, less current portion	22	446	946
Pension liabilities	21	270	310
Long-term accruals for income taxes		87	0
Deferred taxes	9	312	352
B. Total long-term liabilities		5,762	6,238
I. Total liabilities		9,265	9,296
II. Minority interest	23	2,644	2,560
Subscribed capital	24	155	154
Capital reserve	24	1,739	1,702
Other reserves	24	1,636	1,315
Accumulated other comprehensive income (loss)	25	-115	-3
III. Total shareholders' equity		3,415	3,168
Total liabilities and shareholders' equity		15,324	15,024

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CONSOLIDATED CASH FLOW STATEMENT

January 1 to December 31, in million €

	Note	2007	2006
Cash provided by/used for operating activities			
Net income		410	330
Minority interest	23	383	305
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities			
Cash inflow from hedging		-	9
Depreciation and amortization	14, 15, 16	421	399
Loss on sale of investments		0	2
Change in deferred taxes	9	12	77
Gain/Loss on sale of fixed assets		-1	14
Change in assets and liabilities, net of amounts from businesses acquired or disposed of			
Change in trade accounts receivable, net	12	-112	-86
Change in inventories	13	-125	-49
Change in prepaid expenses and other current and non-current assets	14	76	-101
Change in accounts receivable from/payable to related parties		-1	4
Change in trade accounts payable, accruals and other short-term and long-term liabilities		152	187
Change in accruals for income taxes		81	13
Tax payments related to divestitures and acquisitions		0	-52
Cash provided by operating activities		1,296	1,052
Cash provided by/used for investing activities			
Purchase of property, plant and equipment		-704	-589
Proceeds from the sale of property, plant and equipment		38	18
Acquisitions and investments, net of cash acquired	2, 29	-444	-3,657
Proceeds from divestitures	2	52	438
Cash used for investing activities		-1,058	-3,790

January 1 to December 31, in million €	Note	2007	2006
Cash provided by/used for financing activities			
Proceeds from short-term borrowings	19	175	54
Repayments of short-term borrowings	19	-108	-70
Repayments of borrowings from related parties		0	-1
Proceeds from long-term debt and liabilities from capital lease obligations	19	224	3,323
Repayments of long-term debt and liabilities from capital lease obligations	19	-495	-1,514
Proceeds from liabilities from Senior Notes	20	353	978
Repayments of liabilities from Senior Notes	20	0	-314
Changes of accounts receivable facility	19	-132	137
Proceeds from the exercise of stock options	31	55	75
Proceeds from the conversion of Fresenius Medical Care's preference shares into ordinary shares		0	258
Dividends paid		-205	-171
Change in minority interest	23	-	1
Exchange rate effect due to corporate financing		11	4
Cash provided by/used for financing activities		-122	2,760
Effect of exchange rate changes on cash and cash equivalents		-16	-13
Net increase in cash and cash equivalents		100	9
Cash and cash equivalents at the beginning of the year	11	261	252
Cash and cash equivalents at the end of the year	11	361	261

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