

Overall 2007 was a good year for the stock markets, and especially for German equities. The Fresenius ordinary share did much better than the benchmark index MDAX, while the Fresenius preference share performed in line with the MDAX. Over the last three years, both share classes have outperformed the MDAX, with the Fresenius ordinary share increasing by 125 % and the Fresenius preference share by 148 %. Over the same period the MDAX gained 84 %.

STOCK MARKETS

After a good year for the stock market in 2006, the positive trend on the international equity markets continued in the first half of 2007. In June the DAX moved above the 8,000 mark for the first time since 2000 to reach an all-time high of 8,106 points on June 16, 2007. At the end of May the MDAX topped 11,000 points for the first time ever and touched its high for the year of 11,378 points on July 9, 2007. The price gains in the first half of the year were driven both by the above-average growth dynamic of corporate earnings, good economic data and buoyant merger and acquisition activity as well as by the optimism prevailing in the market. Price corrections midway through the year then brought the upward trend to a halt. Triggers were sharply increased oil prices and the upheavals resulting from the US subprime mortgage crisis. These

caused considerable uncertainty in capital markets in the second half of the year. Many investors withdrew their capital from the capital market and from stocks respectively to minimize risk, leading to high volatility in individual stocks and indices. In the following months the DAX lost up to 10 %, down to 7,270 points. The MDAX lost 21 %, falling to 9,042 points. Both indices managed to recover by the end of 2007, with the DAX closing the year at 8,067 points and the MDAX at 9,865 points. For the full year the DAX's performance was 22 %, while the MDAX gained 5 %. Of the European blue chip indices, the DAX was the best performer, while Portugal's PS120 (+16 %), Norway's OBX (+14 %), Spain's IBEX (+7 %) and the EuroStoxx 50 (+7 %) beat the MDAX. The European Dow Jones STOXX 600 Index, which comprises Europe's 600 largest companies, closed the year at 365 points, at the same level as at the end of 2006. In this index the best performing sectors

RELATIVE SHARE PRICE PERFORMANCE

