

Notes on the consolidated statement of income

3. SPECIAL ITEMS RELATING TO ACQUISITIONS

The consolidated statement of income for the year 2008 includes special items relating to the acquisition of APP. The table below reconciles adjusted EBIT and adjusted net income to earnings according to US GAAP.

Acquired in-process R & D activities have to be fully depreciated at the closing under US GAAP accounting principles valid at balance sheet date.

The inventory step-up reflects the excess of fair value over book value of acquired semi-finished and finished products. The amount is realized in line with the sale of the respective products.

in million €	EBIT	Other financial result	Net income
Earnings, adjusted	1,727		450
Purchase accounting adjustments			
In-process R & D	-272		-272
Inventory step-up	-35		-22
Foreign exchange gain	57		41
Other financial result			
MEB (mark-to-market)		28	20
CVR (mark-to-market)		75	75
One-time financing expenses		-35	-22
Earnings according to US GAAP	1,477	68	270

4. SALES

Sales by activity were as follows:

in million €	2008	2007
Sales of services	7,614	7,293
Sales of products and related goods	4,380	3,786
Sales from long-term production contracts	341	278
Other sales	1	1
Sales	12,336	11,358

A sales analysis by business segment and region is shown in the segment information on pages 114 to 117.

5. COST OF SALES

Cost of sales comprised the following:

in million €	2008	2007
Costs of services	5,771	5,489
Manufacturing cost of products and related goods	2,353	1,965
Cost of long-term production contracts	284	226
Other cost of sales	-	-
Cost of sales	8,408	7,680

6. COST OF MATERIALS

Cost of materials comprised cost of raw materials, supplies and purchased components and of purchased services as follows:

in million €	2008	2007
Costs of raw materials, supplies and purchased components	3,668	3,266
Cost of purchased services	536	503
Cost of materials	4,204	3,769

7. PERSONNEL EXPENSES

Cost of sales, selling, general and administrative expenses and expenses on research and development included personnel expenses of € 4,332 million and € 4,052 million in 2008 and 2007, respectively.

Personnel expenses comprised the following:

in million €	2008	2007
Wages and salaries	3,508	3,252
Social security contributions, cost of retirement pensions and social assistance	824	800
thereof retirement pensions	99	103
Personnel expenses	4,332	4,052

The Fresenius Group's annual average number of employees by function is shown below:

	2008	2007
Production and service	95,610	86,898
Administration	13,858	12,965
Sales and marketing	7,931	7,429
Research and development	1,269	970
Total employees (per capita)	118,668	108,262