



To Our Shareholders:

We seized our opportunities in the past year, expanding our business with confidence and determination. Fresenius Kabi was our main focus. With the acquisition of APP Pharmaceuticals, Fresenius Kabi gained a leading global position in the field of generic IV drugs. In addition, APP Pharmaceuticals provides Fresenius Kabi with a North American platform for its product portfolio, offering attractive mid-term growth opportunities. The APP Pharmaceuticals acquisition is the latest move in a series of significant strategic initiatives – such as the acquisition of the German hospital operator HELIOS Kliniken in 2005 and the US dialysis provider Renal Care Group in 2006.

Our other business segments also took full advantage of their business opportunities in 2008. Fresenius Medical Care continued its growth strategy in renal pharmaceuticals, broadening its product range with the addition of IV iron formulations. Fresenius Helios was a leading player in the German hospital privatization process and acquired six new clinics. Fresenius Vamed successfully leveraged its expertise in hospital projects and services, winning important new contracts.

Opportunities for growth are not only offered by acquisitions. Cutting-edge products and services, uncompromising quality, and international expansion help to improve the level of medical care for our patients around the globe. They also provide significant opportunities for organic growth. We present some of these opportunities in this annual report.

In addition to our significant strategic steps, we achieved excellent financial results in the past year. Sales grew to €12.3 billion, an increase of 13 percent in constant currency. We saw outstanding organic growth in all our business segments. Net income before special items relating to the acquisition of APP Pharmaceuticals also increased by 13 percent in constant currency to €450 million. Fresenius coped very well with