

3.4 Performance by Region

Sales by Region and Segment (by Market)

	Europe				North America			
	2009	2010			2009	2010		
	€ million	€ million	% yoy	Fx adj. % yoy	€ million	€ million	% yoy	Fx adj. % yoy
HealthCare	6,344	6,375	+0.5	-1.1	4,634	4,666	+0.7	-4.9
Pharmaceuticals	4,107	4,082	-0.6	-2.0	2,712	2,531	-6.7	-11.5
Consumer Health	2,237	2,293	+2.5	+0.8	1,922	2,135	+11.1	+4.4
CropScience	2,540	2,381	-6.3	-7.7	1,529	1,535	+0.4	-6.4
Crop Protection	2,206	2,030	-8.0	-9.6	1,081	956	-11.6	-18.4
Environmental Science, BioScience	334	351	+5.1	+4.5	448	579	+29.2	+22.7
MaterialScience	3,054	3,950	+29.3	+29.2	1,536	2,022	+31.6	+24.5
Group (incl. reconciliation)	12,968	13,751	+6.0	+5.0	7,705	8,228	+6.8	+0.7

yoy = year on year; Fx adj. = currency-adjusted

4. Earnings; Asset and Financial Position of the Bayer Group

4.1 Earnings Performance of the Bayer Group

Bayer Group Summary Income Statements

[Table 3.15]

	2009	2010	Change
	€ million	€ million	%
Sales	31,168	35,088	+12.6
Cost of goods sold	15,135	17,103	+13.0
Selling expenses	7,923	8,803	+11.1
Research and development expenses	2,746	3,053	+11.2
General administration expenses	1,623	1,647	+1.5
Other operating income and expenses – net	(735)	(1,752)	.
EBIT [operating result]	3,006	2,730	-9.2
Non-operating result	(1,136)	(1,009)	+11.2
Income before income taxes	1,870	1,721	-8.0
Income taxes	(511)	(411)	-19.6
Income after taxes	1,359	1,310	-3.6
of which attributable to non-controlling interest	0	9	.
of which attributable to Bayer AG stockholders (net income)	1,359	1,301	-4.3

Sales of the Bayer Group rose by 12.6% from the previous year to €35,088 million (2009: €31,168 million), thanks largely to the recovery in the MaterialScience business. Adjusted for currency and portfolio effects, sales grew by 8.0%.

[Table 3.14]

	Asia/Pacific				Latin America/Africa/Middle East				Total			
	2009	2010			2009	2010			2009	2010		
	€ million	€ million	% yoy	Fx adj. % yoy	€ million	€ million	% yoy	Fx adj. % yoy	€ million	€ million	% yoy	Fx adj. % yoy
	2,677	3,269	+22.1	+9.7	2,333	2,603	+11.6	+8.9	15,988	16,913	+5.8	+1.1
	2,136	2,629	+23.1	+10.8	1,512	1,666	+10.2	+9.3	10,467	10,908	+4.2	-0.2
	541	640	+18.3	+4.9	821	937	+14.1	+8.3	5,521	6,005	+8.8	+3.5
	1,028	1,229	+19.6	+6.4	1,413	1,685	+19.2	+10.9	6,510	6,830	+4.9	-1.1
	862	1,021	+18.4	+5.3	1,275	1,486	+16.5	+8.8	5,424	5,493	+1.3	-4.7
	166	208	+25.3	+12.3	138	199	+44.2	+30.4	1,086	1,337	+23.1	+16.5
	1,951	2,907	+49.0	+39.3	979	1,275	+30.2	+23.6	7,520	10,154	+35.0	+30.1
	5,712	7,481	+31.0	+19.3	4,783	5,628	+17.7	+12.5	31,168	35,088	+12.6	+7.7

The cost of goods sold advanced by 13.0% to €17,103 million. This was mainly due to a considerable increase at MaterialScience, which in turn resulted chiefly from the growth in volumes and higher average raw material prices for the year. The ratio of the cost of goods sold to total sales was 48.7% (2009: 48.6%). Selling expenses rose by 11.1% year on year to €8,803 million (2009: €7,923 million), and were thus equivalent to 25.1% (2009: 25.4%) of sales. HealthCare accounted for the greater part of the increase. We raised our research and development expenses in 2010 by a further 11.2% to €3,053 million (2009: €2,746 million). The ratio of R&D expenses to sales was 8.7% (2009: 8.8%). General administration expenses were just 1.5% higher at €1,647 million (2009: €1,623 million). The negative balance of other operating income and expenses, at €1,752 million, resulted mainly from special charges related to impairments, litigations and restructuring measures (see also Chapter 4.2 "Calculation of EBIT(DA) Before Special Items").

EBIT for 2010 came in at €2,730 million (2009: €3,006 million).

The non-operating result improved by €127 million to minus €1,009 million (2009: minus €1,136 million). It included lower net interest expense of €499 million (2009: €548 million), interest cost of €372 million (2009: €436 million) for pension and other provisions, a €59 million (2009: €59 million) net loss from investments in affiliated companies and a €70 million (2009: €92 million) net exchange loss. The improvement in the net interest position was mainly due to the reduction in financial debt. The decrease in interest expense for pension and other provisions was mainly the result of higher returns on pension plan assets, which are offset against the interest cost for defined benefit plans.

Tax expense in 2010 amounted to €411 million (2009: €511 million). Income after taxes came in at €1,310 million (2009: €1,359 million). Income attributable to non-controlling interest amounted to €9 million (2009: €0 million). Bayer Group net income for 2010 was €1,301 million (2009: €1,359 million).

4.2 Calculation of EBIT(DA) Before Special Items

Key performance indicators for the Bayer Group are EBIT before special items and EBITDA before special items. These indicators are reported in order to allow a more accurate assessment of business operations. The special items – comprising effects that are non-recurring or do not regularly recur or attain similar magnitudes – are detailed in the following table. “EBITDA,” “EBITDA before special items” and “EBIT before special items” are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information. The company considers EBITDA before special items to be a more suitable indicator of operating performance since it is not affected by depreciation, amortization, impairments or special items. By reporting this indicator, the company aims to give readers a clearer picture of the results of operations and ensure greater comparability of data over time. The EBITDA margin before special items, which is the ratio of EBITDA before special items to sales, serves as a relative indicator for the internal and external comparison of operational earning power.

Depreciation, amortization and impairments rose by 26.6% in 2010 to €3,556 million (2009: €2,809 million), comprising €2,308 million (2009: €1,537 million) in amortization and impairments of intangible assets and €1,248 million (2009: €1,272 million) in depreciation and impairments of property, plant and equipment. Included here were impairments of €985 million, of which €78 million did not constitute special items. Impairments and write-downs also included a €56 million write-down of other receivables.

Special Items Reconciliation

[Table 3.16]

	EBIT* 2009	EBIT* 2010	EBITDA** 2009	EBITDA** 2010
	€ million	€ million	€ million	€ million
After special items	3,006	2,730	5,815	6,286
HealthCare	372	1,169	320	289
Schering integration	87	0	79	0
of which gain from divestitures	(114)	0	(114)	0
Impairments and write-downs	32	930	0	56
Restructuring	47	62	35	56
Litigations	180	177	180	177
Additional funding for the pension assurance association	26	0	26	0
CropScience	219	526	197	526
Restructuring	177	0	155	0
Litigations	35	526	35	526
Additional funding for the pension assurance association	7	0	7	0
MaterialScience	140	0	105	0
Restructuring	130	0	95	0
Additional funding for the pension assurance association	10	0	10	0
Reconciliation	35	27	35	0
Litigations	10	0	10	0
Additional funding for the pension assurance association	25	0	25	0
Impairments and write-downs	0	27	0	0
Total special items	766	1,722	657	815
Before special items	3,772	4,452	6,472	7,101

* EBIT = operating result as per income statements

** EBITDA = EBIT plus amortization and impairment losses on intangible assets and depreciation and impairment losses on property, plant and equipment, minus impairment loss reversals

4.3 Core Earnings Per Share

Earnings per share according to IFRS are affected by the purchase price allocation for acquisitions and other special factors. To enhance comparability, we also determine core net income after eliminating amortization and impairments of intangible assets, impairments of property, plant and equipment, and special items in EBITDA including the related tax effects.

From this core net income we calculate core earnings per share in the same way as earnings per share. Core earnings per share form the basis for our dividend policy. Core earnings per share in 2010 amounted to €4.19 (2009: €3.64).

Core Earnings Per Share

[Table 3.17]

	2009	2010
	€ million	€ million
EBIT as per income statements	3,006	2,730
Amortization and impairment losses on intangible assets	1,537	2,308
Impairment losses on property, plant and equipment	88	53
Special items (other than impairment losses)	657	815
Core EBIT	5,288	5,906
Non-operating result (as per income statements)	(1,136)	(1,009)
Income taxes (as per income statements)	(511)	(411)
Tax effects related to impairments and special items	(685)	(1,012)
Income after taxes attributable to non-controlling interest (as per income statements)	0	(9)
Core net income	2,956	3,465
Financing expenses for the mandatory convertible bond, net of tax effects	47	0
Adjusted core net income	3,003	3,465
	Shares	Shares
Weighted average number of issued ordinary shares	801,050,237	826,947,808
(Potential) shares (to be) issued upon conversion of the mandatory convertible bond	24,955,936	0
Adjusted weighted average total number of issued and potential ordinary shares	826,006,173	826,947,808
Core earnings per share (€)	3.64	4.19

The calculation of earnings per share according to IFRS is explained in Note [16] to the consolidated financial statements. The (adjusted) core net income, core earnings per share and core EBIT are not defined in IFRS.

4.4 Value Management

CASH VALUE ADDED-BASED SYSTEM

One of the prime objectives of the Bayer Group is to sustainably increase enterprise value. We use a Group-wide value management system to plan, control and monitor our businesses. An important value-based indicator is the cash value added (CVA), which shows the degree to which the cash flows needed to cover the costs of equity and debt and of reproducing depletable assets have been generated. If the CVA is positive, the respective company or business entity has exceeded the minimum requirements. If it is negative, the anticipated capital and asset reproduction costs have not been earned. The CVA is an indicator for a single reporting period. For a year-on-year comparison we therefore use our second central steering parameter for value management, the delta CVA, which is the difference between the CVAs of two consecutive periods. A positive delta CVA denotes an increase in the company's value.

The value-based indicators aid management's decision-making, especially regarding strategic portfolio optimization and the allocation of resources for acquisitions and capital expenditures. The focus at the operational level is on the key drivers of enterprise value: growth (sales), cost efficiency (EBITDA) and capital efficiency (working capital, capital expenditures), since these directly affect value creation.

CALCULATING THE COST OF CAPITAL

Bayer calculates the cost of capital according to the debt/equity ratio at the beginning of the year using the weighted average cost of capital (WACC) formula. The cost of equity capital is the return expected by stockholders, computed from capital market information. The cost of debt used in calculating WACC is based on the terms for ten-year Eurobonds issued by industrial companies with an "A"-rating.

Weighted average cost
of capital for the
Bayer Group

7.8%

To take into account the different risk and return profiles of our principal businesses, we calculate individual capital cost factors after income taxes for each of our subgroups. In 2010 these were 8.1% (2009: 8.0%) for HealthCare, 7.5% (2009: 7.5%) for CropScience and 7.1% (2009: 7.0%) for MaterialScience. The minimum return required for the Group in 2010 was 7.8% (2009: 7.7%).

GROSS CASH FLOW, CASH VALUE ADDED AND CASH FLOW RETURN ON INVESTMENT AS PERFORMANCE YARDSTICKS

The gross cash flow as published in our statement of cash flows is the measure of our internal financing capability. Bayer has chosen this parameter because it is relatively free of accounting influences and is therefore a more meaningful performance indicator.

Taking into account the costs of capital and of reproducing depletable assets, we determine the gross cash flow hurdle. If the gross cash flow hurdle is equaled or exceeded, the CVA is positive and thus the required return on equity and debt plus the cost of asset reproduction has been earned.

In calculating the hurdle we made methodical changes compared to the previous year, mainly relating to the reproduction requirements for intangible assets. In addition, material participating interests of direct relevance to business operations are included in the capital invested starting in 2010. The figures for 2009 have been restated accordingly.

The profitability of the Group and of its individual business entities is measured by the cash flow return on investment (CFROI). This is the ratio of the gross cash flow to the capital invested, which is derived from the statement of financial position and basically comprises the property, plant and equipment and intangible assets required for operations – stated at cost of acquisition or construction – plus working capital, less interest-free liabilities (such as current provisions). To reduce fluctuations in the capital invested, the CFROI is computed on the basis of the average figure for the respective year.

The CFROI hurdle for 2010 was 10.0% (2009: 9.9%), while the corresponding gross cash flow hurdle was €4,384 million (2009: €4,280 million).

Actual gross cash flow came in at €4,771 million, exceeding the hurdle by 8.8%. Thus in 2010 we earned our entire capital and asset reproduction costs, and the positive CVA of €387 million shows that Bayer not only exceeded the minimum return and reproduction requirements but earned a premium on the capital invested. Given the previous year's CVA of €378 million, the Bayer Group therefore recorded a positive delta CVA of €9 million, showing that it created slightly more value than in the previous year. The CFROI for 2010 amounted to 10.9% (2009: 10.7%).

Positive delta CVA
=
value created

HealthCare and MaterialScience exceeded their target returns including asset reproduction, while CropScience was €335 million below the gross cash flow hurdle. The CFROI for HealthCare was 12.8% (2009: 13.6%). CropScience was below the previous year with a CFROI of 5.9% (2009: 11.6%). MaterialScience recorded a CFROI of 11.0% (2009: 3.4%).

Value Management Indicators by Subgroup

[Table 3.18]

	HealthCare		CropScience		MaterialScience		Bayer Group	
	2009	2010	2009	2010	2009	2010	2009	2010
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Gross cash flow hurdle (GCF hurdle)	2,258	2,291	822	881	960	973	4,280	4,384
Gross cash flow* (GCF)	3,153	2,948	1,043	546	319	1,058	4,658	4,771
Cash value added (CVA)	895	657	221	(335)	(641)	85	378	387
Delta cash value added (delta CVA)	(13)	(238)	(150)	(556)	(582)	726	(836)	9
CFROI hurdle	9.7%	9.9%	9.6%	9.4%	9.9%	10.6%	9.9%	10.0%
Cash flow return on investment (CFROI)	13.6%	12.8%	11.6%	5.9%	3.4%	11.0%	10.7%	10.9%
Average capital invested	23,261	23,022	8,967	9,189	9,442	9,589	43,566	43,622

2009 figures restated

*For definition see Chapter 4.5 "Liquidity and Capital Expenditures of the Bayer Group."

4.5 Liquidity and Capital Expenditures of the Bayer Group

Bayer Group Summary Statements of Cash Flows

[Table 3.19]

	2009	2010
	€ million	€ million
Gross cash flow*	4,658	4,771
Changes in working capital/other non-cash items	717	1,002
Net cash provided by (used in) operating activities (net cash flow)	5,375	5,773
Net cash provided by (used in) investing activities	(1,501)	(2,414)
Net cash provided by (used in) financing activities	(3,246)	(3,230)
Change in cash and cash equivalents due to business activities	628	129
Cash and cash equivalents at beginning of period	2,094	2,725
Change due to exchange rate movements and to changes in scope of consolidation	3	(14)
Cash and cash equivalents at end of period	2,725	2,840

2009 figures restated

*Gross cash flow = income after taxes, plus income taxes, plus non-operating result, minus income taxes paid or accrued, plus depreciation, amortization and impairment losses, minus impairment loss reversals, plus/minus changes in pension provisions, minus gains/plus losses on retirements of noncurrent assets, minus gains from the remeasurement of already held assets in step acquisitions. The change in pension provisions includes the elimination of non-cash components of the operating result (EBIT). It also contains benefit payments during the year.

OPERATING CASH FLOW

Gross cash flow rose by 2.4% in 2010 to €4,771 million (2009: €4,658 million). It improved significantly at MaterialScience due to the growth in business, but declined markedly at HealthCare and CropScience, partly due to higher litigation-related expenses. We reduced funds tied up in working capital by a substantial €1.0 billion. Net cash flow of the Group rose by 7.4% to €5,773 million (2009: €5,375 million). Net cash flow reflected income tax payments of €838 million (2009: €500 million).

INVESTING CASH FLOW

Net cash outflow for investing activities in 2010 totaled €2,414 million (2009: €1,501 million). Cash outflows for property, plant and equipment and intangible assets were 3.9% lower at €1,514 million (2009: €1,575 million). Of this amount, HealthCare accounted for €573 million (2009: €528 million), CropScience for €302 million (2009: €341 million) and MaterialScience for €498 million (2009: €504 million). These outflows included expenditures for the expansion of our polymers production site in Shanghai, China, and our production capacities in Berkeley, California, United States, as well as expenses related to a licensing and development agreement in the area of aesthetic dermatology and a strategic alliance in the field of cancer research. The €31 million in cash outflows for acquisitions included MaterialScience's purchase of Artificial Muscle, Inc., United States, in March 2010. The cash outflows for acquisitions in the previous year came to €308 million. Among the cash inflows in 2010 were €101 million (2009: €70 million) from divestitures and €53 million (2009: €56 million) in interest and dividends received. The increase in cash outflows for current financial assets mainly resulted from €623 million (2009: €11 million) in monetary investments on the capital market.

The principal strategically relevant capital expenditures for property, plant and equipment in the operating segments of the Bayer Group in 2010 and 2009 are listed in the following table:

Capital Expenditures for Property, Plant and Equipment

[Table 3.20]

Segment	Description
Capital expenditures 2010	
Pharmaceuticals	Expansion of production capacities for new Kogenate® formulations in Berkeley, California, U.S.A. Installation of packaging capacities for the YAZ® product family, Berlin, Germany Capacity expansion for contrast media, Bergkamen, Germany
Consumer Health	Expansion of production and packaging capacities for vitamin tablets, Myerstown, Pennsylvania, U.S.A.
Crop Protection	Expansion of production capacity for fungicides in Kansas City, Missouri, U.S.A. and Dormagen, Germany Capacity expansions for insecticidal active ingredients in Dormagen, Germany
Environmental Science, BioScience	Expansion of research facilities in Nunhem, Netherlands Extension to a research laboratory in Ghent, Belgium Capacity expansion for the production of vegetable seeds in Parma, Idaho, U.S.A.
MaterialScience	Construction of a "world-scale" TDI production complex in Shanghai, China MakroColor production plant in Noida, India Construction of a polyurethanes systems house in Moscow, Russia Installation of an NaCl electrolyzer with an oxygen depolarized cathode for demonstration purposes in Uerdingen, Germany
Capital expenditures 2009	
Pharmaceuticals	Expansion of the production facility for contrast agents in Bergkamen, Germany Expansion and modernization of the Kogenate® facility in Berkeley, California, U.S.A. Expansion of production capacities for the YAZ® product family in Berlin, Germany Expansion of production capacity in Jakarta, Indonesia
Consumer Health	Expansion of the production facility for vitamins in Myerstown, Pennsylvania, U.S.A. Construction of a new distribution center in Lerma, Mexico, to consolidate storage capacities existing in different parts of Mexico
Crop Protection	Capacity expansions for herbicidal active ingredients in Frankfurt am Main and Knapsack, Germany, and Muskegon, Michigan, U.S.A. Expansion of production capacity for fungicides in Dormagen, Germany and Kansas City, Missouri, U.S.A. Expansion of production capacity for high-activity herbicides in Dormagen, Germany and Kansas City, Missouri, U.S.A. Expansion of formulating capacity for non-herbicides in Belford Roxo, Brazil Expansion of production capacity for fungicides in Muttenz, Switzerland
Environmental Science, BioScience	Capacity expansion for the production of vegetable seeds in Parma, Idaho, U.S.A. Extension to a BioScience research laboratory in Ghent, Belgium
MaterialScience	Construction of a "world-scale" TDI production complex in Shanghai, China Production facility for polyisocyanates in Ankleshwar, India Roll-to-roll coating line in Leverkusen, Germany Construction of a systems house in Guangzhou, China Nitrous oxide reduction unit at the nitric acid production facility in Dormagen, Germany Construction of a pilot plant for carbon nanotubes in Leverkusen, Germany EcoCommercial Building in Noida, India

4. Earnings; Asset and Financial Position of the Bayer Group
 4.5 Liquidity and Capital Expenditures of the Bayer Group

FINANCING CASH FLOW

Net cash outflow for financing activities in 2010 amounted to €3,230 million (2009: €3,246 million), including net loan repayments of €1,544 million (2009: €1,442 million). Net interest payments were 34.1% lower at €517 million (2009: €785 million), partly due to the reduction in financial debt. There was a €1,160 million outflow for “dividend payments and withholding tax on dividends” (2009: €973 million).

LIQUID ASSETS AND NET FINANCIAL DEBT

Net Financial Debt

[Table 3.211]

	Dec. 31, 2009	Dec. 31, 2010
	€ million	€ million
Bonds and notes / promissory notes	8,301	8,209
of which hybrid bond	1,267	1,303
Liabilities to banks	3,251	2,271
Liabilities under finance leases	550	562
Liabilities from derivatives	578	529
Other financial liabilities	178	196
Positive fair values of hedges of recorded transactions	(426)	(331)
Financial debt	12,432	11,436
Cash and cash equivalents	(2,725)	(2,840)
Current financial assets	(16)	(679)
Net financial debt	9,691	7,917

Net financial debt of the Bayer Group declined substantially in 2010, from €9.7 billion to €7.9 billion (-18.3%). This was attributable to cash inflows from operating activities, while negative currency effects came to €0.5 billion. As of December 31, 2010 the Group had cash and cash equivalents of €2.8 billion (2009: €2.7 billion). Financial liabilities amounted to €11.4 billion (2009: €12.4 billion), including the €1.3 billion subordinated hybrid bond issued in July 2005. Net financial debt should be viewed against the fact that Moody's and Standard & Poor's treat 75% and 50%, respectively, of the hybrid bond as equity. Unlike conventional borrowings, the hybrid bond thus only has a limited effect on the Group's rating-specific debt indicators. Our noncurrent financial liabilities declined in 2010 from €11.5 billion to €9.9 billion, while current financial liabilities rose from €1.5 billion to €1.9 billion.

4.6 Asset and Capital Structure of the Bayer Group

Bayer Group Summary Statements of Financial Position

[Table 3.22]

	Dec. 31, 2009	Dec. 31, 2010	Change
	€ million	€ million	%
Noncurrent assets	34,049	33,188	-2.5
Current assets	16,993	18,318	+7.8
Total assets	51,042	51,506	+0.9
Equity	18,951	18,896	-0.3
Noncurrent liabilities	23,118	21,775	-5.8
Current liabilities	8,973	10,835	+20.8
Liabilities	32,091	32,610	+1.6
Total equity and liabilities	51,042	51,506	+0.9

Total assets increased in 2010 by 0.9% to €51.5 billion. Noncurrent assets declined by €0.9 billion to €33.2 billion, mainly due to amortization and impairments of intangible assets. Noncurrent assets included goodwill of €9.0 billion (2009: €8.7 billion), the increase being mainly due to shifts in exchange rates. Current assets rose by €1.3 billion compared with the previous year, to €18.3 billion.

Equity was almost level with the prior year at €18.9 billion, bolstered mainly by the €1.3 billion net income and €0.6 billion in positive currency effects. The €1.2 billion dividend payment made in 2010 and the €0.7 billion increase in pension obligations – recognized outside profit or loss – had the opposite effect. Our equity ratio (equity coverage of total assets) was 36.7% as of December 31, 2010 (2009: 37.1%).

Liabilities increased by €0.5 billion compared with December 31, 2009, to €32.6 billion, largely because of the increase in pension obligations and the allocations to provisions for litigations. Current and noncurrent financial liabilities declined by €1.1 billion to €11.8 billion.

Net Pension Liability

[Table 3.23]

	Dec. 31, 2009	Dec. 31, 2010
	€ million	€ million
Provisions for pensions and other post-employment benefits	6,517	7,305
Benefit plan assets in excess of obligation	(100)	(76)
Net pension liability	6,417	7,229

The net pension liability increased from €6.4 billion to €7.2 billion in 2010, due especially to lower long-term capital market interest rates. Provisions for pensions and other post-employment benefits rose from €6.5 billion to €7.3 billion. Benefit plan assets in excess of obligations, reflected in the statement of financial position as "Other receivables," came to €0.1 billion (2009: €0.1 billion).

4. Earnings; Asset and Financial Position of the Bayer Group
 4.6 Asset and Capital Structure of the Bayer Group

[Table 3.24]

Ratios		2009	2010
Cost of sales ratio (%)	Cost of goods sold	48.6	48.7
	Sales		
R&D expense ratio (%)	Research and development expenses	8.8	8.7
	Sales		
Return on sales (%)	Income after taxes	4.4	3.7
	Sales		
EBIT margin (%)	EBIT	9.6	7.8
	Sales		
EBITDA margin before special items (%)	EBITDA before special items	20.8	20.2
	Sales		
Asset intensity (%)	Property, plant and equipment + intangible assets	60.6	58.2
	Total assets		
D&A/capex ratio (%)	Depreciation and amortization*	159.4	156.8
	Capital expenditures*		
Liability structure (%)	Current liabilities	28.0	33.2
	Liabilities		
Gearing	Net debt + pension provisions	0.9	0.8
	Equity		
Free operating cash flow (€ million)	Net operating cash flow less cash outflows for property, plant and equipment and intangible assets	3,800	4,259
Inventory turnover	Cost of goods sold	2.5	2.8
	Inventories		
Receivables turnover	Sales	5.1	5.3
	Trade accounts receivable		
Payables turnover	Cost of goods sold	5.5	4.9
	Trade accounts payable		
Equity ratio (%)	Equity	37.1	36.7
	Total assets		
Return on equity (%)	Income after taxes	7.7	6.9
	Average equity		
Return on assets (%)	Income before taxes and interest expense	6.1	5.1
	Average total assets for the year		

* property, plant and equipment + intangible assets