

Key Data

	2007	2008	Change
	€ million	€ million	%
BAYER GROUP			
Sales	32,385	32,918	+1.6
EBITDA ¹	5,866	6,266	+6.8
EBITDA before special items	6,777	6,931	+2.3
EBIT ²	3,154	3,544	+12.4
EBIT before special items	4,287	4,342	+1.3
Income before income taxes	2,234	2,356	+5.5
Net income	4,711	1,719	-63.5
Earnings per share (€) ³	5.84	2.22	-62.0
Core earnings per share (€) ⁴	3.80	4.17	+9.7
Gross cash flow ⁵	4,784	5,295	+10.7
Net cash flow ⁶	4,281	3,608	-15.7
Capital expenditures as per segment table	1,891	1,982	+4.8
Research and development expenses	2,578	2,653	+2.9
Dividend per Bayer AG share (€)	1.35	1.40	+3.7
BAYER HEALTHCARE			
External sales	14,807	15,407	+4.1
EBITDA ¹	3,065	3,692	+20.5
EBITDA before special items	3,792	4,157	+9.6
EBIT ²	1,564	2,181	+39.5
EBIT before special items	2,492	2,764	+10.9
Gross cash flow ⁵	2,389	3,045	+27.5
Net cash flow ⁶	2,010	2,259	+12.4
Capital expenditures as per segment table	593	610	+2.9
BAYER CROPSCIENCE			
External sales	5,826	6,382	+9.5
EBITDA ¹	1,204	1,450	+20.4
EBITDA before special items	1,324	1,603	+21.1
EBIT ²	656	918	+39.9
EBIT before special items	786	1,084	+37.9
Gross cash flow ⁵	961	1,192	+24.0
Net cash flow ⁶	1,040	736	-29.2
Capital expenditures as per segment table	223	314	+40.8
BAYER MATERIALSCIENCE			
External sales	10,435	9,738	-6.7
EBITDA ¹	1,542	1,041	-32.5
EBITDA before special items	1,606	1,088	-32.3
EBIT ²	1,042	537	-48.5
EBIT before special items	1,117	586	-47.5
Gross cash flow ⁵	1,228	850	-30.8
Net cash flow ⁶	1,147	782	-31.8
Capital expenditures as per segment table	889	831	-6.5

¹ EBITDA = EBIT plus amortization of intangible assets and depreciation of property, plant and equipment. EBITDA, EBITDA before special items and EBITDA margin are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information. The company considers underlying EBITDA to be a more suitable indicator of operating performance since it is not affected by depreciation, amortization, write-downs/write-backs or special items. The company also believes that this indicator gives readers a clearer picture of the results of operations and ensures greater comparability of data over time. The underlying EBITDA margin is calculated by dividing underlying EBITDA by sales. See also page 76.

² EBIT as shown in the income statement

³ Earnings per share as defined in IAS 33 = net income divided by the average number of shares. For details see page 185 in the notes to the financial statements.

⁴ Core earnings per share is not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information.

The company believes that this indicator gives readers a clearer picture of the results of operations and ensures greater comparability of data over time. The calculation of core earnings per share is explained on page 21.

⁵ Gross cash flow = income from continuing operations after taxes, plus income taxes, plus/minus non-operating result, minus income taxes paid or accrued, plus depreciation, amortization and write-downs, minus write-backs, plus/minus changes in pension provisions, minus gains/plus losses on retirements of noncurrent assets, plus non-cash effects of the remeasurement of acquired assets. The change in pension provisions includes the elimination of non-cash components of the operating result. It also contains benefit payments during the year.

⁶ Net cash flow = cash flow from operating activities according to IAS 7