



Science For A Better Life

Financial Statements
of Bayer CropScience Aktiengesellschaft,
Monheim am Rhein
for the Fiscal Year
from January 1 to December 31, 2016

**Income statement of
Bayer CropScience AG, Monheim am Rhein
for the Period from January 1, 2016 to December 31, 2016**

	2015	2016
	€ thousand	€ thousand
Net sales	6,467,430 ¹⁾	6,482,266 ¹⁾
Cost of goods sold	(4,511,475) ¹⁾	(4,348,472) ¹⁾
Gross profit	1,955,955	2,133,794
Selling expenses	(1,062,846)	(1,031,963)
Research and development expenses	(484,097)	(504,016)
General administration expenses	(104,567)	(114,187)
Other operating income	369,408 ^{1) 2)}	97,029 ^{1) 2)}
Other operating expenses	(91,412) ^{1) 2)}	(152,667) ^{1) 2)}
Operating result	582,441	427,990
Income from investments in affiliated companies	79,721	23,884
<i>of which from subsidiaries</i>	79,721	23,884
Income from profit and loss transfer agreements with subsidiaries	2,317	3,067
Expenses for the assumption of losses of subsidiaries	(423)	(46)
Write-downs of investments in affiliated companies	(1,088)	(2,125)
Write-backs of investments in affiliated companies	1,959	0
Gains from the sale of investments in affiliated companies	14,278	14,544
Losses from the sale of investments in affiliated companies	0	(2,357)
Income (loss) from investments in affiliated companies	96,764 ³⁾	36,967 ³⁾
Income from silent interests	550,357 ³⁾	545,382 ³⁾
<i>of which from subsidiaries</i>	550,357	545,382
Income from other securities and loans included in investments	3	9
Other interest and similar income	97,315	3,426
<i>of which from subsidiaries</i>	617	587
<i>of which from discounting</i>	785	14
Interest and similar expenses	(121,343)	(10,272)
<i>of which to subsidiaries</i>	(47)	(101)
<i>of which for the unwinding of discounts</i>	(121,296)	(10,170)
Net interest expense	(24,025)	(6,838)
Other financial income	291,023	270,520
<i>of which from currency translation</i>	291,018	270,520
Other financial expenses	(532,407)	(257,118)
<i>of which from currency translation</i>	(517,006)	(256,771)
Other financial income and expenses	(241,384) ²⁾	13,402 ²⁾
Financial result	381,712	588,914
Income taxes	(174)	(209)
Profits transferred under a profit and loss transfer agreement	(963,981)	(1,016,694)
Income after income taxes / net income for the year	0	0
Distributable profit	0	0

¹⁾ Following amendment of Section 277, Paragraph 1 of the German Commercial Code (HGB), net sales now also include revenues from goods and services not typical for the company; the corresponding costs are allocated to cost of goods sold. Net sales for 2015 of €6,463,110 thousand have been adjusted by €4,320 thousand to €6,467,430 thousand.

²⁾ Effective 2016, profit or loss from currency translation is reported uniformly as other financial income or expenses. Other operating income for 2015 of €394,723 thousand has been adjusted by €25,315 thousand to €369,408 thousand; other operating expenses for 2015 of €314,748 thousand have been adjusted by €223,337 thousand to €91,412 thousand. Other financial income for 2015 of €269,859 thousand had to be adjusted by €21,164 thousand to €291,023 thousand; other financial expenses for 2015 of €308,901 thousand were adjusted by €223,506 thousand to €532,407 thousand. Due to the corrections to account 4389200, there was a further adjustment of €170 thousand.

³⁾ From fiscal 2016, the income from silent interests must be reported as a separate item. For this reason, the income from investments in affiliated companies for 2015 of €647,121 thousand was adjusted by €550,357 thousand to €96,764 thousand.

**Statement of Financial Position of
Bayer CropScience AG, Monheim am Rhein
as of December 31, 2016**

	Dec. 31, 2015	Dec. 31, 2016
	€ thousand	€ thousand
ASSETS		
Noncurrent assets		
Intangible assets	167,863	140,415
Property, plant and equipment	639,245	831,511
Investments	1,977,634	1,980,434
	2,784,742	2,952,360
Current assets		
Inventories		
Raw materials and supplies	372,122	342,671
Work in process	321,428	290,187
Finished goods and goods purchased for resale	550,546	536,884
Advance payments	2,374	1,763
	1,246,470	1,171,505
Receivables and other assets		
Trade accounts receivable	556,380	561,177
<i>of which from subsidiaries</i>	434,776	442,782
<i>of which from companies in which a participating interest is held</i>	4,473	4,606
<i>of which maturing in > 1 year</i>	11,517	12,126
Receivables from subsidiaries	798,217	630,761
<i>of which maturing in > 1 year</i>	5,657	3,721
Other assets	409,722	424,288
<i>of which maturing in > 1 year</i>	137	0
	1,764,319	1,616,226
Cash and cash equivalents	754	1,232
	3,011,543	2,788,963
Prepaid expenses and deferred charges	21,261	30,663
Surplus from offsetting	5,653	12,257
	5,823,199	5,784,243

**Statement of Financial Position of
Bayer CropScience AG, Monheim am Rhein
as of December 31, 2016**

	Dec. 31, 2015	Dec. 31, 2016
	€ thousand	€ thousand
EQUITY AND LIABILITIES		
Equity		
Capital stock	501,001	501,001
Capital reserves	2,612,344	2,612,344
	3,113,345	3,113,345
Provisions		
Provisions for pensions	676,797	635,411
Other provisions	271,460	177,843
	948,257	813,254
Other liabilities		
Advance payments received on orders	102	102
<i>of which maturing in < 1 year</i>	102	102
Trade accounts payable	618,125	721,949
<i>of which to subsidiaries</i>	261,912	331,243
<i>of which maturing in < 1 year</i>	618,125	721,949
Other liabilities to subsidiaries	1,037,469	1,075,184
<i>of which maturing in < 1 year</i>	1,037,469	1,075,184
Miscellaneous liabilities	60,246	31,554
<i>of which from taxes</i>	21,949	18,355
<i>of which from social security</i>	1,527	1,294
<i>of which maturing in < 1 year</i>	59,366	31,234
<i>of which maturing in > 1 year</i>	880	320
	1,715,942	1,828,789
Deferred income and accrued expenses	45,656	28,855
	5,823,199	5,784,243
Contingent liabilities		
Liabilities from guarantees	2,407	0
Stated in accordance with Section 253, Paragraph 6 of the German Commercial Code (HGB)		
Difference between the pension obligations recognized in the statement of financial position based on the average interest rate for ten and seven years	0	112,066

Monheim am Rhein, January 27, 2017

Liam Condon

Michael Andreas Schulz

Changes in noncurrent assets as of December 31, 2016

					Gross carrying amounts	Accumulated depreciation, amortization and write-downs	Net carrying amounts	Net carrying amounts
	Jan. 1, 2016	Additions	Transfers, reclassifications	Retirements	Dec. 31, 2016	Dec. 31, 2016	Dec. 31, 2016	Dec. 31, 2015
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Intangible assets								
Acquired concessions, industrial property rights, similar rights and assets, and licenses thereunder	531,226	10,620	1,226	-33,803	509,269	-432,754	76,515	101,190
Goodwill	63,313	0	0	0	63,313	-6,913	56,400	59,717
Construction in progress and advance payments	8,943	5,554	-1,226	-1,991	11,280	-3,780	7,500	6,955
	603,482	16,174	0	-35,794	583,862	-443,447	140,415	167,862
Property, plant and equipment								
Land and buildings	149,461	4,088	8,537	0	162,086	-93,443	68,643	60,134
Plant installations and machinery	1,070,441	33,057	61,633	-4,666	1,160,465	-793,667	366,798	336,563
Furniture, fixtures and other equipment	103,150	5,891	3,643	-19,570	93,114	-74,344	18,770	22,144
Construction in progress and advance payments	223,370	230,710	-73,813	0	380,267	-2,967	377,300	220,404
	1,546,422	273,746	0	-24,236	1,795,932	-964,421	831,511	639,245
Financial assets								
Investments in subsidiaries	4,489,009	6,489	0	-4,104	4,491,394	-2,611,211	1,880,183	1,877,823
Loans to subsidiaries	33,173	573	0	0	33,746	0	33,746	93,337
Silent interests	60,164	0	0	0	60,164	0	60,164	0
Investments in other affiliated companies	7,571	1,922	0	0	9,493	-3,361	6,132	6,311
Other loans	163	133	0	-87	209	0	209	163
	4,590,080	9,117	0	-4,191	4,595,006	-2,614,572	1,980,434	1,977,634
	6,739,984	299,037	0	-64,221	6,974,800	-4,022,440	2,952,360	2,784,741

Changes in noncurrent assets (depreciation, amortization and write-downs/write-backs) as of December 31, 2016

	Accumulated depreciation, amortization and write-downs						
	Jan. 1, 2016	Depreciation and amortization	Write-downs	Write-backs	Transfers, reclassifications	Retirements	Dec. 31, 2016
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Intangible assets							
Acquired concessions, industrial property rights, similar rights and assets, and licenses thereunder	(430,036)	(13,464)	(20,377)	0	0	31,123	(432,754)
Goodwill	(3,595)	(3,318)	0	0	0	0	(6,913)
Construction in progress and advance payments	(1,988)	0	(3,780)	0	0	1,988	(3,780)
	(435,619)	(16,782)	(24,157)	0	0	33,111	(443,447)
Property, plant and equipment							
Land and buildings	(89,327)	(3,872)	(244)	0	0	0	(93,443)
Plant installations and machinery	(733,877)	(62,952)	(108)	0	0	3,270	(793,667)
Furniture, fixtures and other equipment	(81,006)	(5,612)	0	0	0	12,274	(74,344)
Construction in progress and advance payments	(2,967)	0	0	0	0	0	(2,967)
	(907,177)	(72,436)	(352)	0	0	15,544	(964,421)
Financial assets							
Investments in subsidiaries	(2,611,211)	0	0	0	0	0	(2,611,211)
Investments in other affiliated companies	(1,236)	0	(2,125)	0	0	0	(3,361)
	(2,612,447)	0	(2,125)	0	0	0	(2,614,572)
	(3,955,243)	(89,218)	(26,634)	0	0	48,655	(4,022,440)