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Financial Statements of Bayer Beteiligungsverwaltung Goslar GmbH 2011

Statement of Financial Position for Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen as of December 31, 2011

	Dec. 31, 2010	Dec. 31, 2011
	€	€
ASSETS		
Noncurrent assets		
Property, plant and equipment	4,654	12,686
Financial assets	7,166,896	7,680,490
	7,171,550	7,693,176
Current assets		
Receivables and other assets		
Receivables from affiliated companies	296,017,799	501,091,379
Other assets	782,897	106,980
	296,800,696	501,198,359
Bank balances	200,000,000	0
	496,800,696	501,198,359
Deferred charges	2,223	6,582
	503,974,469	508,898,117
EQUITY AND LIABILITIES		
Equity		
Capital stock	42,000,000	42,000,000
Capital reserves	102,378,201	102,378,201
Retained earnings	55,317,600	55,317,600
Profit carried forward	301,721,596	303,296,698
Net income	1,575,102	5,428,349
	502,992,499	508,420,848
Provisions		
Provisions for taxes	622,724	115,619
Other provisions	359,000	359,000
	981,724	474,619
Other liabilities		
Payables to affiliated companies	0	2,406
Miscellaneous liabilities	246	244
	246	2,650
	503,974,469	508,898,117

Income Statement for Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen for the period from January 1, 2011 to December 31, 2011

	2010	2011
	€	€
Sales	0	10,283
Cost of goods sold	0	(10,440)
Gross profit	0	(157)
General administration expenses	(159,558)	(130,396)
Other operating income	24,434	0
Other operating expenses	(692)	(495)
Operating result	(135,816)	(131,048)
Other interest and similar income	3,660,671	6,718,456
Interest and similar expenses	(145,912)	(1,627)
	3,514,759	6,716,829
Write-downs of other financial assets	(496,411)	(373,457)
Miscellaneous financial expenses	(100,000)	(20,266)
	(596,411)	(393,723)
Financial result	2,918,348	6,323,106
Income before income taxes	2,782,532	6,192,058
Income taxes	(1,207,430)	(763,709)
Net income	1,575,102	5,428,349

Assets of Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen as of December 31, 2011

	Gross carrying amounts				Net carrying amounts		
	As of: Jan. 1, 2011	Additions	Transfers/ reclassifications	Retirements	As of: Dec. 31, 2011	Accumulated depreciation and write-downs as of: Dec. 31, 2011	as of Dec. 31, 2011
	€	€	€	€	€	€	€
I. Property, plant and equipment							
Furniture, fixtures and other assets	7,990	11,543	0	0	19,533	6,847	12,686
	7,990	11,543	0	0	19,533	6,847	12,686
II. Financial assets							
Other loans	17,804,126	887,051	0	0	18,691,177	11,010,687	7,680,490
	17,804,126	887,051	0	0	18,691,177	11,010,687	7,680,490
Total assets	17,812,116	898,594	0	0	18,710,710	11,017,534	7,693,176

Depreciation and write-downs of the assets of Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen as of December 31, 2011

	As of: Jan. 1, 2011	Additions	Exceptional additions	Transfers/ reclassifications	Retirements	Accumulated depreciation and write-downs as of: Dec. 31, 2011
	€	€	€	€	€	€
I. Property, plant and equipment						
Furniture, fixtures and other assets	3,336	3,511	0	0	0	6,847
	3,336	3,511	0	0	0	6,847
II. Financial assets						
Other loans	10,637,230	373,457	0	0	0	11,010,687
	10,637,230	373,457	0	0	0	11,010,687
Total depreciation and write-down	10,640,566	376,968	0	0	0	11,017,534

Notes to the Financial Statements of Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen for the fiscal year from January 1 to December 31, 2011

ACCOUNTING POLICIES

The financial statements of Bayer Beteiligungsverwaltung Goslar GmbH have been prepared in accordance with the German Commercial Code (HGB) and German Limited Liability Companies Act (GmbH-Gesetz). The recognition and valuation principles used in the past have been retained in these financial statements.

Bayer AG, the parent company of Bayer Beteiligungsverwaltung Goslar GmbH, prepares consolidated financial statements. These are available from the company's registered office in Leverkusen and are published in the electronic Federal Gazette.

RECOGNITION AND VALUATION PRINCIPLES

Property, plant and equipment is carried at the cost of acquisition or construction less depreciation of assets that are subject to wear and tear. The straight-line method of depreciation is normally used.

Loans receivable are carried at cost or fair value, whichever is lower.

Receivables and other assets are stated at nominal value or cost of acquisition.

Provisions are established to cover all foreseeable risks and uncertain liabilities and are based on the probable settlement amount.

Liabilities are recognized at the settlement amount.

The income statement has been drawn up using the cost-of-sales method.

NOTES TO THE STATEMENTS OF FINANCIAL POSITION AND INCOME STATEMENT

The **financial assets** contain a loan with an original face value of EUR 14,400,000.00 for which the company does not receive current interest payments. This is carried at the discounted value of EUR 7,680,490.00. This amount contains capitalized interest from the start of the loan amounting to EUR 4,291,178.00.

Receivables from affiliated companies totaling EUR 501,091,379 relate exclusively to receivables from the parent company Bayer AG, Leverkusen, and are due within one year.

Other assets comprise receivables of EUR 106,980 relating to prepaid trade tax.

Provisions comprise **provisions for taxes** of EUR 115,619 and **other provisions** of EUR 359,000 for an expected purchase price adjustment following a tax audit.

Payables to affiliated companies amounting to EUR 2,406 are due within one year.

The **miscellaneous liabilities** relate exclusively to payroll taxes totaling EUR 244 and are due within one year.

Other interest and similar income contains EUR 5,255,060 (2010: EUR 819,478) from affiliated companies.

Interest and similar expenses comprises interest payable to affiliated companies totaling EUR 51 (2010: EUR 11,036).

CORPORATE OFFICERS

Management Board:

Andreas Krieger, tax consultant at Bayer AG (until April 15, 2012)

Michael Fredrich, Managing Director of Lilienthalstraße Nr. 4 GmbH (from April 16, 2012)

Steffen Schröder, Legal Department of Bayer Pharma AG

Schönefeld, May 2, 2012

Bayer Beteiligungsverwaltung Goslar GmbH

Signed Michael Fredrich

Signed Steffen Schröder