

Bayer Group Consolidated Statements of Cash Flows

| (DM million) | Note | 1998 | 1997* |
|--|------|----------------|----------------|
| Cash and cash equivalents at beginning of year | | 3,414 | 3,015 |
| Operating result | | 6,151 | 6,018 |
| Income taxes currently payable | | (1,687) | (1,941) |
| Depreciation and amortization | | 3,001 | 3,050 |
| Change in long-term provisions | | (655) | (622) |
| Gains (losses) on retirements of noncurrent assets | | (208) | (25) |
| Gross cash provided by operating activities | | 6,602 | 6,480 |
| Increase in inventories | | (735) | (43) |
| Increase in trade accounts receivable | | (265) | (623) |
| Increase in trade accounts payable | | 99 | 419 |
| Changes in other working capital | | (185) | 474 |
| Net cash provided by operating activities | [36] | 5,516 | 6,707 |
| Cash outflows for additions to property, plant and equipment | | (5,232) | (4,615) |
| Cash inflows from sales of property, plant and equipment | | 993 | 276 |
| Cash outflows for additions to investments | | (33) | (337) |
| Cash outflows for acquisitions | | (2,825) | (748) |
| Interest and dividends received | | 484 | 445 |
| Cash inflows from marketable securities | | 386 | 332 |
| Net cash used in investing activities | [37] | (6,227) | (4,647) |
| Capital contributions | | 0 | 226 |
| Bayer AG dividend and dividend payments to minority stockholders | | (1,393) | (1,240) |
| Issuances of debt | | 3,319 | 2,398 |
| Retirements of debt | | (1,608) | (2,488) |
| Interest paid | | (674) | (669) |
| Net cash used in financing activities | [38] | (356) | (1,773) |
| Change in cash and cash equivalents due to business activities | | (1,067) | 287 |
| Change in cash and cash equivalents due to changes in companies consolidated | | (36) | 67 |
| Change in cash and cash equivalents due to exchange rate movements | | 4 | 45 |
| Cash and cash equivalents at end of year | [39] | 2,315 | 3,414 |
| Marketable securities and other instruments | | 1,051 | 1,388 |
| Liquid assets as per balance sheets | | 3,366 | 4,802 |

* 1997 figures restated