# German enterprises' profitability and financing in 2007

According to the Bundesbank's corporate balance sheet statistics, profit in the corporate sector showed a further considerable improvement in 2007 in the wake of a dynamic business momentum. At 5½%, the gross return on sales marked a new high. All economic sectors examined in this article contributed to the positive development in profitability with the exception of retail trade, which was depressed in 2007 by the loss of consumer purchasing power due to the increase in the standard rate of VAT and in insurance tax and corresponding frontloading of planned purchases in the later part of 2006. Enterprises with a greater export orientation again fared particularly well.

As in previous years, the higher annual result was used in part to strengthen firms' equity base. This was additionally boosted by greater injections of equity from external sources. The equity ratio thus showed a further sharp rise and, at 25½%, also reached a new peak.

All in all, German enterprises have significantly strengthened their financial resilience over the past buoyant years. This buffer is now providing some protection against the increasing strains resulting from the sharp global slowdown and the ongoing financial market crisis.

## Overall economic environment

*Growth still solid ...*

In 2007, the German economy again expanded at a rapid pace. While the increase in real GDP of 2½% was ½ percentage point lower than in 2006, this was predominantly due to special factors, especially the hike in value added tax which put a noticeable damper on private consumption. As in 2006, actual output grew faster than potential output, resulting in a further rise in capacity utilisation which, for the first time since the boom at the beginning of the decade, exceeded the corridor of normal utilisation. In 2007, the upswing was also reflected in a strong recovery in the labour market. However, the positive economic environment was marred by growing price pressures. This can be explained, on the one hand, by fiscal effects, in particular the increase in the standard rate of VAT and insurance tax mentioned above and, on the other hand, by the marked rise in the prices of energy and food in the second half of 2007 owing to world market factors.

*... but handicaps for consumption-related sectors ...*

The sharp increase in GDP was driven mainly by buoyant activity in the production sector. The real gross value added of this sector expanded by 4¾% in 2007 and thus made a 1¼ percentage point contribution to overall growth in GDP. That of the manufacturing sector increased by 6% and that of construction by 2½%. The value added by the services sector rose by 2%. This was due to brisk development in business-related services which contributed 1 percentage point to GDP growth. By contrast, the performance of trade, hotels and restaurants, and transport improved by only ½%. In 2007, real gross value added in the sectors included in the corporate balance sheet statistics rose by 3½%, which was matched by a rise of the same amount in trade and industry in general[1] and of 3% in the economy as a whole. The growth lead of trade and industry over the economy as a whole is attributable to the comparatively moderate rise in the public and private services sectors (+1¼%).

*... mainly due to VAT hike*

The additional fiscal burdens generated, in particular, by the VAT increase, which also led to sizeable forward shifts in demand to 2006, in conjunction with the greater loss of purchasing power owing to the rise in energy and food prices during the latter part of the year as well as the higher saving ratio caused real private consumption to shrink by ½%. These retarding effects obscured the positive stimuli that the favourable labour market developments exerted on disposable income. However, investment in machinery and equipment continued to expand at a rapid pace (+7%). The high level of utilisation prompted many enterprises to expand capacity. Other supportive factors were the favourable financing conditions and generous tax depreciation rules for moveable fixed assets, which were abolished at the end of 2007. In 2007, construction investment likewise contributed positively to GDP growth, although, at 1¾% overall, it increased significantly less than in 2006.

1 This also contains electricity, gas and water supply, hotels and restaurants, telecommunications, financial intermediation, real estate activities as well as renting of machinery and equipment without operator and of personal and household goods.

*External contribution to growth again high*

In 2007, major expansionary stimuli again came from exports which, however, at 7½%, did not increase as dynamically as in 2006. The main reasons for this were the slower growth of the German export markets and the strong appreciation of the euro, which led to a 6% fall in price competitiveness in trade with non-euro-area countries (calculated on the basis of the deflators of total sales). By contrast, the competitiveness of the German economy within the euro area improved slightly (+1¼%) due to the ongoing comparatively favourable price and cost developments in Germany. As a result of the dampening influence on domestic demand emanating from various special factors, at 5%, real imports went up by a smaller amount than exports, meaning that statistically foreign trade contributed 1½ percentage points to GDP growth compared with 1 percentage point in 2006.

*Wage ratio down again despite higher negotiated wages*

Given the fall in unemployment and large growth in enterprises' profit, there was a clear increase in wages in 2007, although the majority of pay agreements in the services sector were markedly more moderate than in industry. However, as some of the wage agreements did not come into effect until the latter part of 2007 or until 2008, the rise in negotiated wages (on a monthly basis), at just under 1½%, was barely greater on an annual average than in 2006. By contrast, the growth in wages and salaries per employee clearly rose from just short of 1% to just over 1½%. This reflects a change in direction of the wage drift, which increased by ¼% in 2007 after it had fallen by almost ½% the year before. Unit labour cost went up for the first time since 2003 although, at not quite ½%, this rise was still quite moderate. The increase in total compensation of employees (+3%) again lagged behind the expansion of national income (+3½%), thereby driving the (unadjusted) wage ratio down slightly to 64¾%.

*Further fall in corporate insolvencies*

A further decline in the rate of corporate insolvency – to -14½% – is also consistent with the positive general economic picture presented in 2007.[2] Since the previous peak in 2003, this figure has fallen by one-quarter. Estimated creditor claims totalled €31½ billion compared with €61½ billion in 2002 and an average of €38½ billion between 2003 and 2006. The downward trend in insolvencies was evident across all economic sectors; at -23½%, it was most pronounced for manufacturing. Broken down by legal form, a decline can also be seen across all categories with the exception of private companies limited by shares (Ltd), which recorded 44% more insolvencies. In previous years, this type of legal form was often the preferred choice for start-ups because the minimum capital required is lower than for private limited companies (GmbH). Measured across all legal forms, the insolvency ratio was lowest in the services sector, at 71 failures per 10,000 enterprises. The ratio was slightly higher in trade (87) and manufacturing (88), and again highest in construction (160).

**2** See J Angele, Insolvenzen 2007, Wirtschaft und Statistik, April 2008, pp 302 ff.

## Profitability

*Dynamic profit development ...*

Strong economic growth in 2007 coupled with moderate wage increases gave profit considerable room for expansion. The annual result before taxes on income[3] reported in the corporate balance sheet statistics for enterprises from the production, trade, transport and business-related services sectors – according to current estimates[4] – shot up by no less than 23½%, after having risen at double-digit rates in the previous two years, too. Since the cyclical low in 2003, earnings growth has totalled 85½%. Over the last few years, profits have therefore risen much faster than in the period of expansion from 1998 to 2001, when they climbed by 22%.

*... and new peak for return on sales*

The increase in the annual result before taxes on income in 2007 is still extremely large even after allowing for business growth. The gross return on sales rose by ¾ percentage point to 5½% in 2007, thus reaching its highest level since the start of the data series based on the Financial Statements Data Pool in 1997. Moreover, the comparable values for western Germany, which are available for the period from 1987 to 1996, were clearly exceeded, too. The net return on sales, which is derived from the annual result after deducting taxes on income, increased by ¾ percentage point to 4½% in 2007 and also reached a new high over the period since 1987. The same is true for the period from 1971 to 1986, for which a figure can be calculated from the annual result and sales which differs only slightly from the definition of net return on sales used here. During that period the ratio reached a peak of 3¼% in 1971 and 1972.[5]

*Positive earnings trend in manufacturing ...*

With the exception of retail trade, which was substantially depressed by households' loss of consumer purchasing power, all economic sectors examined here contributed to the positive earnings trend in 2007. The frontrunner here was the manufacturing sector, whose annual result before taxes on income rose in double digits for the third year running (+34½%) and has doubled since the low in 2003. The sector's gross return on sales increased during this time by 2¼ percentage points to 6%. Earnings varied quite considerably across the individual manufacturing industries. Consumption-related sectors recorded below-average growth in profit for the

3 The annual result corresponds to the annual profit in accordance with the German Commercial Code (HGB) before profit or loss transfers. It provides a better indication of the profits generated by the enterprises analysed in this article because many firms are linked through profit transfer agreements with enterprises which are not included in the corporate balance sheet statistics (eg holding companies) and to which their profits/losses are transferred.

4 The following study is based on 24,000 financial statements for 2007. This statistical base corresponds to just under one-third of the annual number of financial statements in the two preceding years. The data from the financial statements were extrapolated based on estimations using data from the turnover tax statistics. The tables inserted in this article show the profitability and financing of enterprises in the economic sectors examined as a whole for the period 2005 to 2007. The tables appended at the end contain more detailed information on individual economic sectors for 2005 and 2006. Long data series with extrapolated results from financial statements of German enterprises are available online (http://www.bundesbank.de/statistik/statistik_wirtschaftsdaten_jahresabschluss.en.php).

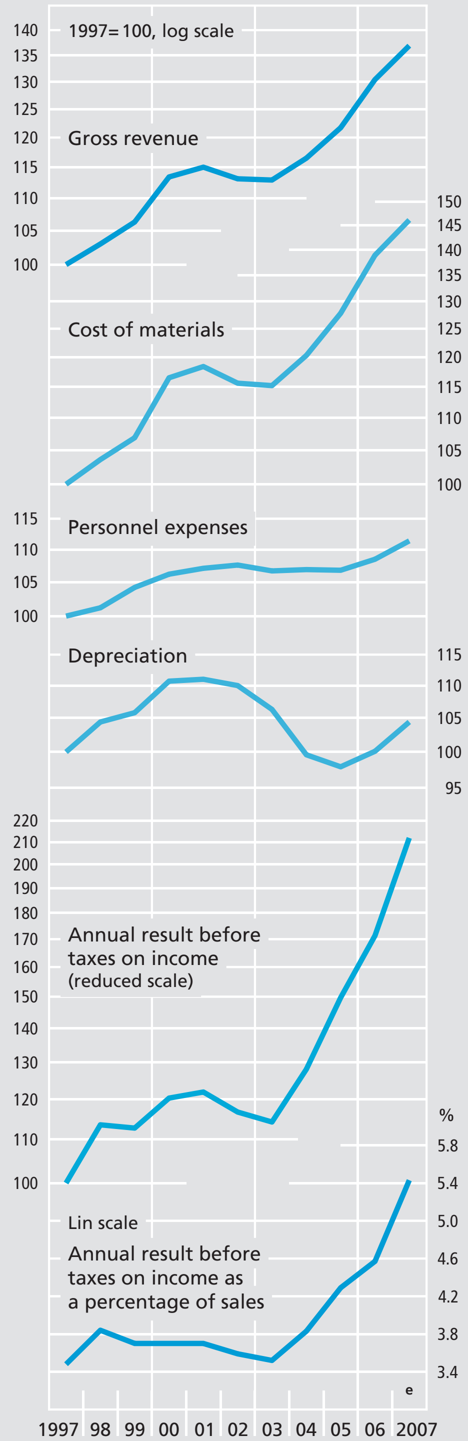
5 However, the net return on sales reported here is only suitable for showing the development of post-tax profitability; its level is overstated to the extent that taxes on income include, besides trade earnings tax, only corporation tax (including the solidarity surcharge) paid by corporations. The annual results of non-corporations (partnerships and sole proprietorships), by contrast, are taxed as part of the entrepreneurs' private income and so their income tax payments do not appear in these firms' income statements.

reasons mentioned above, while the producers of capital and intermediate goods fared exceptionally well owing to vigorous export growth and buoyant investment activity in Germany. Automobile manufacturers experienced a similar situation; although they sold far fewer vehicles to domestic households, they were able to record excellent results due to a further rise in exports and higher sales to corporate customers in Germany. Thus the manufacture of cars – measured in terms of volume – increased by almost 6% in 2007 and the manufacture of heavy goods vehicles expanded by no less than one-fifth.

*... as well as in transport and among business-related service providers*

The persistently buoyant industrial activity in 2007 also boosted business development in the transport and business-related services sectors and pushed profit up. Transport enterprises (excluding railways) expanded their annual result before taxes, compared to the subdued level in 2006, by around four-tenths and their gross return on sales by almost 1½ percentage points to 5%. This is partly also due to the fact that fuel prices, which are of particular importance in this sector, rose at a far slower pace than in previous years. In turn, this was attributable to the sideways movement in euro prices for Brent crude oil on an annual average following average growth rates of 28% in the three preceding years (trade and industry were not directly affected by the increase in standard VAT rates due to input tax relief). At over one-fifth, growth in profit for business-related service providers was also strong. Their return on sales rose further to 10½%, meaning that this sector again achieved by far the best result of any sector.

Selected indicators from German enterprises' income statements

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*Trade and construction lagging*

Business and earnings development in wholesale trade is generally likewise strongly influenced by economic activity in industry. However, in 2007, the expansionary stimuli from industry were countered by a decline in the "solid, liquid and gaseous fuels and related products" industry. In addition to the subdued rate of price increases, this was compounded by the fact that households brought forward many purchases of heating oil to 2006. At 3%, the wholesale trade sector's gross return on sales remained almost unchanged. As mentioned above, retail trade activities were affected by tax-related losses of purchasing power and shifts in demand. Thus strong growth at the end of 2006 was followed by an expected collapse at the start of 2007, which was particularly pronounced for durables such as cars and furniture. During the course of 2007, the increasing loss of purchasing power due to energy and agricultural prices weighed on demand in retail trade. As a result, gross profit fell by 1%, however, at 3½%, its return on sales, which declined by the same amount, was no less than in the previous year. In 2007, fiscal factors also had an impact on the development of earnings in the construction sector. Much construction work for new flats and for renovations was brought forward and invoiced in 2006 due to the increase in VAT. This resulted in a gap in orders in 2007. However, this was counterbalanced by a clear increase in industrial and commercial building and in public sector construction. The improvement of 7½% in the annual result before taxes on income was below average. At 5¾%, the gross return on sales nonetheless marked a new high.

*Gross annual result in relation to gross income*

The figures for the return on sales for the individual economic sectors are not directly comparable due to the use of varying input ratios or depth of value added. To facilitate such a comparison, it is therefore advisable to set the gross annual result in relation to gross income, which corresponds to gross revenue less the cost of materials and is very similar to the definition of value added included in the national accounts. For producing enterprises, this ratio rose from almost 13% in 2006 to 15% in 2007, which matches the relative increase in gross return on sales. However, using this measure of profitability changes the sectoral rankings quite dramatically. At the top of the table is wholesale trade with 18%, followed by business-related services and then manufacturing. All other sectors are below average and transport, at 9½%, is at the bottom of the table.

## Income and expenses in detail

*Gross revenue*

In 2007, brisk growth in business activity was once again a key driver of the sharp increase in profit. However, at 5%, the rise in gross revenue, which contains sales, the changes in stocks of finished goods as well as other own work capitalised, in the economic sectors examined here was not as dynamic as in 2006 (+7%). This was predominantly due to low growth in construction and wholesale trade as well as to a slight decrease in retail trade. The remaining sectors recorded very high levels of growth. For example, gross revenue in manufacturing expanded by 8%. According to the official turnover statistics for industry, activities with enterprises outside of

Germany increased by 9% whereas those with domestic enterprises went up by 6%. While growth differentials could also be observed for producers of intermediate and capital goods, they were most pronounced in the area of consumer goods for the reasons mentioned above. The producers of durable goods within this sector even registered a slight fall in sales in 2007 in Germany, although they recorded an increase of 7% in exports.

*Interest and similar income*

Interest and similar income again grew even more sharply than gross revenue (+28%). While it has risen by 65% since its last low in 2004, its share in total income in 2007 still amounted to only ½%. Contributions to the sharp growth in the reporting year came, on the one hand, from a greater build-up of interest-bearing receivables (+8½% on annual average) and, on the other hand, to a ½ percentage point increase in the average interest rate to 3½% due to higher market rates. Other income, which is composed of a large number of very different items, including income from long-term equity investments, rose by 12½%. Due to the surge in these two items, the increase of 5½% in total income was slightly larger than in the actual business activities.

*Total expenses*

Total expenses (excluding taxes on income of corporations) went up by 4½%, which was perceptibly slower than income, thus leaving room for a marked improvement in the gross annual result. This was mainly due to the fact that the rise in personnel expenses again trailed noticeably behind business growth, a development which will be examined more

## Enterprises' income statement *

| Item | 2005 | 2006 | 2007 e | 2006 | 2007 e |
|---|---|---|---|---|---|
| | € billion | | | Year-on-year change as a percentage | |
| **Income** | | | | | |
| Sales | 3,735.2 | 4,011.4 | 4,173.5 | 7.4 | 4 |
| Change in finished goods 1 | 11.2 | 2.0 | 41 | – 81.9 | 1,906 |
| Gross revenue | 3,746.4 | 4,013.5 | 4,214.5 | 7.1 | 5 |
| Interest and similar income | 16.0 | 18.9 | 24 | 18.1 | 28 |
| Other income 2 | 161.9 | 168.1 | 189 | 3.8 | 12.5 |
| *of which* from long-term equity investments | 18.0 | 24.9 | 26 | 38.3 | 5 |
| Total income | 3,924.3 | 4,200.4 | 4,428 | 7.0 | 5.5 |
| **Expenses** | | | | | |
| Cost of materials | 2,376.0 | 2,581.2 | 2,715 | 8.6 | 5 |
| Personnel expenses | 648.8 | 659.0 | 676.5 | 1.6 | 2.5 |
| Depreciation | 107.2 | 109.6 | 114.5 | 2.3 | 4 |
| of tangible fixed assets 3 | 97.4 | 98.2 | 104.5 | 0.8 | 6.5 |
| Other 4 | 9.8 | 11.5 | 9.5 | 17.1 | – 16.5 |
| Interest and similar expenses | 36.6 | 38.9 | 44.5 | 6.4 | 14.5 |
| Operating taxes | 59.5 | 63.1 | 62 | 6.0 | – 2 |
| *of which* Excise duties | 56.2 | 59.2 | 59.5 | 5.3 | 0.5 |
| Other expenses 5 | 536.1 | 565.3 | 589 | 5.4 | 4 |
| Total expenses before taxes on income | 3,764.2 | 4,017.2 | 4,201 | 6.7 | 4.5 |
| Annual result before taxes on income | 160.1 | 183.2 | 226.5 | 14.4 | 23.5 |
| Taxes on income 6 | 34.2 | 35.7 | 43.5 | 4.5 | 22 |
| Annual result | 125.9 | 147.4 | 183 | 17.1 | 24 |
| *Memo item* | | | | | |
| Cash flow 7 | 248.1 | 271.9 | 308.5 | 9.6 | 13.5 |
| Net interest paid | 20.6 | 20.0 | 20.5 | – 2.7 | 2 |
| | As a percentage of sales | | | Year-on-year change in percentage points | |
| Gross income 8 | 36.7 | 35.7 | 35.9 | – 1.0 | 0.2 |
| Annual result | 3.4 | 3.7 | 4.4 | 0.3 | 0.7 |
| Annual result before taxes on income | 4.3 | 4.6 | 5.4 | 0.3 | 0.9 |
| Net interest paid | 0.6 | 0.5 | 0.5 | – 0.1 | 0.0 |

* Extrapolated results; differences in the figures due to rounding. — **1** Including other own work capitalised. — **2** Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — **3** Including amortisation and write-downs of intangible fixed assets. — **4** Predominantly write-downs of receivables, securities and other long-term equity investments. — **5** Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — **6** In the case of partnerships and sole proprietorships, trade earnings tax only. — **7** Annual result, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — **8** Gross revenue less cost of materials.

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closely below. At 4%, the increase in other expenses, which include rentals and leases, research and development cost as well as advertising expenses and together account for one-seventh of gross revenue, was also more moderate than the increase in income.

*Cost of materials*

By contrast, the cost of materials, which constitutes around two-thirds of total expenses, went up at virtually the same pace as gross revenue following a much sharper increase in 2006. This can be partly attributed to the fact that US dollar prices on commodity markets rose more slowly than in the previous years and that this price increase was cushioned to a large extent for buyers in Germany by the strong appreciation of the euro against the US dollar. In 2007, import prices consequently rose by a mere 1.2% following an increase of 4.3% in 2006 and 5.2% in 2005.

*Personnel expenses, …*

Although, at 2½%, personnel expenses grew faster in 2007 than in 2006 (+1½%), they increased much more slowly than total expenses. This was due to the fact that the increase in negotiated wages, calculated at less than 1½% on both a monthly and an hourly basis, was again rather moderate. Added to this was the cut in the contribution rate to the Federal Employment Agency from 6.5% to 4.2% with effect from 1 January 2007, with employers benefiting from one-half of this. While this was partly offset by a rise in the contribution rate to the statutory pension insurance scheme and in the average contribution rate to the statutory health insurance scheme of about ½ percentage point in both cases, firms' payroll cost enjoyed considerable relief on balance. A further factor here is that a number of large enterprises reduced their expenditure on company pension schemes and made smaller severance payments as part of staff restructuring schemes. With regard to personnel expenses as a whole, the overall moderate increase in personnel expenses per hour worked was accompanied by a clear rise in the number of hours worked, which was reflected, on the one hand, in corresponding higher wage payments per employee. On the other hand, the number of employees rose significantly, by 2% according to the definition in the corporate balance sheet statistics.

*… depreciation and …*

In contrast, the increase in depreciation of tangible fixed assets (including intangible fixed assets) was comparatively sharp (+6½%). This is attributable to both the strong growth in investment in new machinery and equipment as well as to the temporary raising of the declining-balance depreciation rates for movable fixed assets in 2006 and 2007. In this respect, it is worth noting that in manufacturing close to 60% of total depreciation was attributable to tangible fixed assets; however, measured in terms of gross revenue, at 3½%, this sector still ranked below transport (5½%). The high share of vehicles – which can be depreciated relatively quickly – in machinery and equipment played a role in this. The figure for business-related services, which include the capital-intensive sector "computer and related activities", was at the same level as the ratio in manufacturing. In the remaining sectors, depreciation of tangible fixed assets is much less significant; the corresponding shares in gross revenue ranged between 1%

for wholesale trade and 3% for construction. Write-downs of long-term financial assets and securities classified as current assets were notably lower, so that total depreciation was only 4% higher than in 2006.

*... interest expenses*

Following a rise of 6½% in 2006, interest and similar expenses recorded a further surge of 14½% in 2007. This was due, firstly, to a larger increase in interest-bearing liabilities of 5½% on an annual average. Secondly, the average lending rate – in line with market interest rates – continued to increase to almost 5%. Due to the extraordinarily sharp growth in interest and similar income, which offset over half the corresponding expense item recorded in the enterprises' extrapolated income statements, net interest expenditure increased by only 2%. At ½%, its share in gross revenue remained at a low level.

## Sources and uses of funds

*Inflows still high ...*

The enterprises in the economic sectors examined here increased their total inflows of funds by one-fifth to €279 billion in the reporting year.[6] The low from 2004 was thus exceeded by one-and-a-half times and reached a new record high. One-seventh of the year-on-year increase derived from internal funding. The remaining far larger share came from external funding, which is not unusual during times of positive profit and sales growth. In the period from 2002 to 2004, which was difficult in this respect, there was either no inflow of funds (2002) or else these inflows were actually negative (2003 and 2004) because liabilities were redeemed on balance. The volume of internal funding, which, at 60% of the total of funds, was still the most significant source of financing, increased by 4½% in 2007. At 3 percentage points, the highest contribution to growth was made by depreciation allowances which, in percentage terms, however, recorded only below-average growth. Capital injections from profit (including contributions to the capital of non-corporations) as well as transfers to provisions contributed the remaining 1½ percentage points of the rise in internal funding.

*... and growing share of external funding*

Enterprises received €111 billion from external funding sources; that was €42 billion (+62%) more than in 2006. This was due to an increase by half in capital injections to corporations and in liabilities of almost two-thirds. It is striking that only short-term financial obligations recently entered into rose (by €47½ billion, which is twice as much as in 2006). This increase is predominantly attributable to the greater level of borrowing from banks, which was at a low level in 2006. From 2002 to 2005, redemptions actually outweighed borrowing. In 2007, additional liabilities of €34½ billion were incurred from payments received on account of orders whereas one year previously a decline was observed in this item. This clear reversal is probably due to some extent to the increase in VAT as there was a fiscal incentive at the end of 2006 to invoice services early, especially in the construction sector. In the accounts, this was then debited against the payments

6 The figures on the sources and uses of funds are subject to much greater uncertainty than the income statement and balance sheet data.

## Enterprises' sources and uses of funds *

€ billion

| Item | 2005 | 2006 | 2007 e | Year-on-year change 2006 | Year-on-year change 2007 e |
|---|---|---|---|---|---|
| **Sources of funds** | | | | | |
| Capital increase from profits and contributions to the capital of non-corporations 1 | 33.8 | 37.0 | 39.5 | 3.1 | 2.5 |
| Depreciation (total) | 107.2 | 109.6 | 114.5 | 2.5 | 4.5 |
| Increase in provisions 2 | 15.6 | 14.5 | 14.5 | – 1.1 | 0 |
| Internal funds | 156.6 | 161.1 | 168 | 4.5 | 7 |
| Increase in capital of corporations 3 | 3.1 | 12.5 | 19 | 9.4 | 6.5 |
| Change in liabilities | 19.1 | 56.2 | 91.5 | 37.1 | 35.5 |
| Short-term | 26.9 | 46.5 | 94 | 19.6 | 47.5 |
| Long-term | – 7.9 | 9.7 | – 2 | 17.6 | – 12 |
| External funds | 22.2 | 68.7 | 111 | 46.6 | 42 |
| Total | 178.8 | 229.8 | 279 | 51.0 | 49.5 |
| **Uses of funds** | | | | | |
| Increase in tangible fixed assets (gross) 4 | 102.8 | 108.1 | 125 | 5.4 | 16.5 |
| *Memo item* | | | | | |
| Increase in tangible fixed assets (net) 4 | 5.4 | 10.0 | 20 | 4.6 | 10 |
| Depreciation of tangible fixed assets 4 | 97.4 | 98.2 | 104.5 | 0.8 | 6.5 |
| Change in inventories | 10.5 | 5.0 | 55.5 | – 5.6 | 50.5 |
| Non-financial asset formation (gross investments) | 113.3 | 113.1 | 180.5 | – 0.2 | 67.5 |
| Change in cash | 9.3 | 3.3 | 12.5 | – 6.0 | 9.5 |
| Change in receivables 5 | 29.5 | 82.6 | 55 | 53.1 | – 27.5 |
| Short-term | 27.1 | 80.3 | 45 | 53.3 | – 35.5 |
| Long-term | 2.4 | 2.3 | 10 | – 0.2 | 7.5 |
| Acquisition of securities | – 2.7 | 12.9 | – 7 | 15.6 | – 20 |
| Acquisition of other long-term equity investments | 29.4 | 17.9 | 38 | – 11.5 | 20 |
| Financial asset formation | 65.5 | 116.7 | 99 | 51.2 | – 18 |
| Total | 178.8 | 229.8 | 279 | 51.0 | 49.5 |
| *Memo item* | | | | | |
| Internal funds as a percentage of gross investments | 138.2 | 142.4 | 93.5 | . | . |

* Extrapolated results; differences in the figures due to rounding. — 1 Including "GmbH und Co KG" and similar legal forms. — 2 Including change in the balance of prepaid expenses and deferred items. — 3 Increase in nominal capital through the issue of shares and transfers to capital reserves. — 4 Including intangible fixed assets. — 5 Including unusual write-downs of current assets.

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received on account of orders. Given the brisk expansion of business activity, enterprises also incurred new trade payables; however, the rise was smaller than one year previously; the same is true for trade receivables. Furthermore, the increase in short-term liabilities to affiliated companies, which also contain trade payables, slowed down noticeably. Long-term obligations were redeemed in net terms, thus resuming a tendency which started in 2000 and was interrupted only in 2006.

*High non-financial asset formation influenced by special factors*

Of the total inflows of funds, almost two-thirds were used for non-financial asset formation. This figure was thus almost 60% higher than in 2006 when the focus was still on accumulating financial assets. The marked topping-up of gross investment was primarily associated with the strong build-up of inventories. On the one hand, this is attributable to sustained growth of business activity in manufacturing, which is generally associated with more extensive stockpiling. Moreover, during the course of 2007, prices for energy and agricultural raw materials went up noticeably, meaning that at the end of 2007 higher figures were recorded in the balance sheet *per se* than in the previous year. On the other hand, the inventory levels in construction returned to normal following a considerable reduction at the end of 2006 – as with payments received on account of orders – due to many services been invoiced early for tax reasons. All in all, half of the growth in inventory investments for the economic sectors examined can be attributed to this effect. Financial resources for new machinery and equipment as well as buildings increased by 15½% in terms of value, which represents a doubling of the net increase in tangible fixed assets.

*Lower financial asset formation*

While fewer funds were provided for financial asset formation than in 2006, the absolute amount was still considerably larger than the average for the period from 1998 to 2005. The decline on 2006 is partly attributable to a much weaker accumulation of short-term receivables and partly to the net disposal of securities. In contrast, long-term receivables and the acquisition of other long-term equity investments increased significantly. However, at 13½% of the total sources of funds, the budget for new other long-term equity investments was only slightly higher than the average for the period from 2001 to 2006.

## Balance sheet trends and balance sheet ratios

*Sharp balance sheet growth*

Together with various special factors, it was the favourable macroeconomic setting and the persistent buoyant growth in profitability which shaped the development of enterprises' balance sheets in 2007. At 7½%, balance sheet growth was even greater than in the previous year, when it had amounted to a sizeable 5½%. This was the largest increase since the start of the series in 1997. Between 2001 and 2005, the annual growth rate had stood at only 1½%. The balance sheet total tended to be on the increase in all the economic sectors examined here, albeit to different degrees. Thus the assets and capital in the business-related services segment went up by 14½% and in the construction sector by 13½%, although the normalisation in in-

### Enterprises' balance sheet *

| Item | 2005 | 2006 | 2007 e | 2006 | 2007 e |
|---|---|---|---|---|---|
| | € billion | | | Year-on-year change as a percentage | |
| **Assets** | | | | | |
| Intangible fixed assets | 43.0 | 41.8 | 42.5 | – 2.7 | 1.5 |
| Tangible fixed assets | 449.0 | 460.2 | 479.5 | 2.5 | 4 |
| Inventories | 404.9 | 409.9 | 465.5 | 1.2 | 13.5 |
| Non-financial assets | 896.9 | 911.9 | 987.5 | 1.7 | 8.5 |
| Cash | 151.9 | 155.2 | 168 | 2.1 | 8 |
| Receivables | 702.6 | 781.1 | 832.5 | 11.2 | 6.5 |
| *of which* | | | | | |
| Trade receivables | 275.6 | 306.0 | 313.5 | 11.0 | 2.5 |
| Receivables from affiliated companies | 316.4 | 354.9 | 385.5 | 12.2 | 8.5 |
| Securities | 51.3 | 64.2 | 57.5 | 25.2 | – 10.5 |
| Other long-term equity investments 1 | 289.6 | 300.1 | 332 | 3.7 | 10.5 |
| Prepaid expenses | 10.8 | 10.9 | 12 | 0.9 | 12 |
| Financial assets | 1,206.2 | 1,311.6 | 1,402 | 8.7 | 7 |
| Total assets 2 | 2,103.1 | 2,223.4 | 2,389.5 | 5.7 | 7.5 |
| **Capital** | | | | | |
| Equity 2, 3 | 500.2 | 549.8 | 608.5 | 9.9 | 10.5 |
| Liabilities | 1,183.7 | 1,239.9 | 1,331.5 | 4.7 | 7.5 |
| *of which* | | | | | |
| to banks | 300.9 | 303.8 | 321.5 | 1.0 | 6 |
| Trade payables | 223.2 | 243.5 | 254 | 9.1 | 4.5 |
| to affiliated companies | 381.3 | 420.9 | 440.5 | 10.4 | 4.5 |
| Payments received on account of orders | 111.5 | 99.7 | 134 | – 10.6 | 34.5 |
| Provisions 3 | 411.0 | 425.5 | 441 | 3.5 | 3.5 |
| *of which* | | | | | |
| Provisions for pensions | 169.6 | 169.9 | 173.5 | 0.2 | 2 |
| Deferred income | 8.1 | 8.3 | 8.5 | 2.0 | 1.5 |
| Liabilities and provisions | 1,602.9 | 1,673.7 | 1,781 | 4.4 | 6.5 |
| Total capital 2 | 2,103.1 | 2,223.4 | 2,389.5 | 5.7 | 7.5 |
| *Memo item* | | | | | |
| Sales | 3,735.2 | 4,011.4 | 4,173.5 | 7.4 | 4 |
| Ratio of sales to balance sheet total | 177.6 | 180.4 | 174.5 | . | . |

* Extrapolated results; differences in the figures due to rounding. — **1** Including shares in affiliated companies. — **2** Less adjustments to equity. — **3** Including half of the special tax-allowable reserve.

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## The increasing integration in the balance sheet structures of German enterprises

**Development since the mid-1990s**

Since the mid-1990s, the structure of German enterprises' balance sheets has changed dramatically. Looking at the development of the most important items on the asset and capital sides using extrapolated data drawn from the Deutsche Bundesbank's corporate balance sheet statistics, one striking feature is the sharp rise in receivables from and liabilities to affiliated companies. From 1997 to 2007, their share of the balance sheet total increased by 4½ percentage points to 16% and 18½%, respectively. This reflects a rise in intra-sectoral integration. The fact that other long-term equity investments likewise went up by 4½ percentage points to 14% is consistent with this picture. The growing importance of receivables from affiliated companies and other long-term equity investments on the assets side occurred at the expense of non-financial assets, which dropped by 7½ percentage points to 41½% of total assets. On the capital side, the share of liabilities to banks fell considerably; thus in 2007, it amounted to only 13½% of the balance sheet total, compared with 21½% in 1997.

These changes in the balance sheet structure were particularly pronounced among large enterprises. At almost 22% of the balance sheet total in 2006 (the most recent year for which reliable data are available), liabilities to affiliated companies were the third most important source of financing after equity and provisions. Although this item also gained in importance among small and medium-sized enterprises (SMEs), it constituted only 13½% of the balance sheet total in 2006. Among large enterprises, moreover, the share of bank borrowing, which has always played a comparatively minor role in their funding owing to their broader range of financing options (large stocks of provisions), fell still further to around 6½%. By contrast, the share of bank loans among the SMEs, at 26½% of total capital, was significantly higher at the end of the period under review. In 2006, large enterprises held other long-term equity investments amounting to 19½% of the balance sheet total; among the SMEs, the figure was 2½%.

These changes in the balance sheet structure are largely attributable to the more intensive intra-group division of labour, which was accompanied by the establishment of a growing number of legally independent subsidiaries. The higher proportion of receivables from and liabilities to affiliated companies is a reflection both of intra-group financial transactions and of the flow of trade payables and receivables within the corporate network.[1] A key role in this context is played by the foreign financing subsidiaries of major German groups, which were set up in order to obtain low-cost funding for the group as a whole, eg by issuing corporate bonds.

Since the mid-1990s, the structural changes in the balance sheets have been further intensified by other factors. The decline in the prominence of bank loans in this period was accompanied not only by an increase in liabilities to affiliated companies but also by a sharp rise of 9 percentage points to 25½% in the equity ratio. This was due, in part, to the fact that firms with a low level of own funds came under increasing pressure to strengthen their capital base – even before the new capital requirements under the Basel II framework came into force.

### Selected ratios from the annual financial statements of group parent companies and non-affiliated enterprises in the manufacturing sector

| Ratios | Group parent companies | | Non-affiliated enterprises | |
|---|---|---|---|---|
| | 1997 | 2006 | 1997 | 2006 |
| | As % of the balance sheet total | | | |
| Tangible fixed assets | 16.8 | 11.5 | 34.4 | 32.8 |
| Other long-term equity investments | 25.8 | 33.7 | 0.0 | 0.0 |
| Equity (adjusted) | 31.6 | 28.6 | 17.2 | 31.6 |
| Liabilities | 32.3 | 42.1 | 70.3 | 54.7 |
| *of which* | | | | |
| Trade payables | 6.0 | 5.1 | 16.1 | 13.0 |
| Liabilities to affiliated companies | 9.1 | 22.9 | 0.0 | 0.0 |
| Provisions | 35.8 | 29.2 | 12.3 | 13.6 |
| | As % of gross revenue | | | |
| Cost of materials | 55.7 | 68.6 | 51.4 | 54.8 |
| *Memo item* Number | 880 | 603 | 5,340 | 4,423 |

**1** Section 266 of the German Commercial Code requires a prior disclosure of receivables and liabilities by intra-sectoral integration and not by nature. — **2** From a tax perspective, the main attractions for groups in the period under review were that the corresponding debt interest was exempt from local business tax, no withholding tax was levied on the interest income of financing subsidiaries and their profits were not subject to the relatively heavy tax burden in Germany. — **3** The consolidated financial accounts are used here as a proxy for the indi-

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**Comparison between group parent companies and non-affiliated companies**

In order to better isolate the effect of increasing integration from other factors, the balance sheets of group parent companies are first compared below with those of non-affiliated companies. The capital structures of selected German large enterprises with foreign financing subsidiaries are then considered in more detail.

A comparison of the annual financial accounts of group parent companies and non-affiliated enterprises in the manufacturing sector reveals clear differences in the development of key balance sheet items. While the proportion of liabilities showed a sharp downward trend among the non-affiliated companies, it increased among the group parent companies, primarily because the financial obligations to affiliated companies more than doubled to 23% between 1997 and 2006. Partly in response to the resulting significant extension of the balance sheet, the equity ratio of the group parent companies fell by 3 percentage points, while it grew robustly by 14½ percentage points to 31½% among the non-affiliated companies.

Although in both groups tangible fixed assets showed a downward trend, the difference in magnitude is considerable; thus their share of the balance sheet total among non-affiliated firms, at 33% in 2006, was almost three times that among group parent companies. Alongside the extension of the balance sheet owing to the increase in financial relationships with affiliated companies, the fact that investment in tangible fixed assets was often substituted by the acquisition of other long-term equity investments is also likely to have played a role in this. This is supported in the income statement by the considerable rise in the cost of materials as a result of growth in purchases of intermediate goods from affiliated companies. The share of the cost of materials in gross revenue rose by 13 percentage points to 68½% from 1997 to 2006, while the corresponding share for non-affiliated firms increased by only 3½ percentage points to 55%.

**Group financing via foreign financing subsidiaries**

Many of the major multinational groups based in Germany established autonomous financing subsidiaries (also known as captive finance companies) in the 1980s and 1990s, primarily – for tax reasons – in the Netherlands.[2] Their task is to obtain financial resources against collateral or letters of comfort from the parent company, mainly by issuing bonds on international capital markets, and to channel them to the parent companies, subsidiaries and holding companies.

The effects of this cross-border financing of the group via foreign financing subsidiaries on the individual accounts of domestic parent companies can be seen in the table below. Twelve German large enterprises with financing subsidiaries in the Netherlands were selected; their capital structures were compared using both the consolidated financial statements of the corporate group and the individual accounts of the group's parent company.[3]

In the individual accounts of the parent companies, bank liabilities, at 1% of the balance sheet total, were of minimal importance. These enterprises thus rely overwhelmingly on intra-group financing. Liabilities in the form of bonds amount to 20% of the balance sheet total in the group accounts. The passing-on of the related financial resources within the group is primarily reflected in group parent companies' liabilities to affiliated companies, which, with a share of 37½% of the balance sheet total, far exceed equity (28%) or provisions (22%).

## Financing structures of selected German large enterprises [4]

Data for 2007

| Ratios | Consolidated accounts | Parent companies' individual accounts |
|---|---|---|
| | As % of the balance sheet total | |
| Equity | 26.1 | 28.0 |
| Provisions | 20.8 | 22.0 |
| Liabilities | 51.5 | 49.9 |
| *of which* | | |
| Bonds | 19.8 | 3.0 |
| Liabilities to banks | 4.8 | 1.1 |
| Trade payables | 7.9 | 2.2 |
| Liabilities to affilated companies | 0.0 | 37.3 |

vidual accounts of the financing subsidiary as the latter are not usually published. Of the individual accounts of other companies in the group, only the data from the group parent company is used as the subsidiaries' financial statements are not available in their entirety. It is mainly the data from the foreign subsidiaries that are missing – and these are of particular significance among the globally active enterprises under consideration here. — **4** Twelve non-financial enterprises that own a financing subsidiary in the Netherlands.

## Balance sheet ratios *

| Item | 2005 | 2006 | 2007 e |
|---|---|---|---|
| | As a percentage of the balance sheet total 1 | | |
| Intangible fixed assets | 2.0 | 1.9 | 2 |
| Tangible fixed assets | 21.3 | 20.7 | 20 |
| Inventories | 19.3 | 18.4 | 19.5 |
| Short-term receivables | 31.0 | 32.8 | 32 |
| Long-term equity and liabilities 2 | 45.0 | 45.3 | 44.5 |
| *of which* | | | |
| Equity 1 | 23.8 | 24.7 | 25.5 |
| Long-term liabilities | 12.7 | 12.4 | 11.5 |
| Short-term liabilities | 43.6 | 43.4 | 44.5 |
| | As a percentage of tangible fixed assets 3 | | |
| Equity 1 | 101.7 | 109.5 | 116.5 |
| Long-term equity and liabilities 2 | 192.6 | 200.6 | 204 |
| | As a percentage of fixed assets 4 | | |
| Long-term equity and liabilities 2 | 111.4 | 114.6 | 113 |
| | As a percentage of short-term liabilities | | |
| Cash resources 5 and short-term receivables | 91.2 | 95.8 | 92 |
| | As a percentage of liabilities and provisions 6 | | |
| Cash flow 7 | 17.1 | 17.9 | 19 |

* Extrapolated results. — 1 Less adjustments to equity. — 2 Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — 3 Including intangible fixed assets. — 4 Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — 5 Cash and short-term securities. — 6 Liabilities, provisions, deferred income and half of the special tax-allowable reserve less cash. — 7 Annual result, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

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voicing behaviour mentioned above also played a role here. The growth rate in manufacturing was in line with the average increase and the rate in transport was just slightly below this. However, at 4% and 3%, balance sheet growth for wholesale and retail trade enterprises was much lower.

*Shifts in the asset structure*

In 2007, for the first time in a long while, non-financial assets increased by a greater amount (8½%) than financial assets. This was mainly due to strong stockbuilding, which was fuelled by special factors and which caused inventories to expand considerably. Tangible fixed assets, too, went up much faster than one year previously. However, at 4%, their growth rate still trailed far behind that of the balance sheet total, meaning that their share of total assets fell further to 20%. All financial asset items, with the exception of securities, increased. Long-term receivables recorded particularly high growth, including those to affiliated companies. In addition, at 10½%, growth in other long-term equity investments was particularly dynamic. At 14%, its share in the balance sheet total reached a new record level. Broken down by economic sector, the individual growth rates range broadly from 2½% for construction to 18½% for industry. Overall, it can be seen that the development and, above all, the structure of the balance sheet and of the sources and uses of funds are being increasingly influenced by intra-group relations between enterprises (for further information, see the box on pages 42 and 43).

On the capital side of the balance sheet, the favourable development of the equity base

*Further rise in equity ratio with fall in share of liabilities and provisions*

continued into 2007 with a growth rate of 10½%. Its share in the balance sheet total, the equity ratio, went up by ¾ percentage point to 25½%. This is an increase of 9 percentage points on the low of the new data series in 1997. Of the various economic sectors, manufacturing, at 28½%, still occupied the top position, followed by wholesale (25%), business-related service providers (24%), transport (21%) and retail trade (18%). Construction was still at the lower end of the spectrum at 11½%. However, its equity base recorded the biggest relative improvement over the medium term, given that its equity ratio had amounted to a mere 4% in 2001. The weight of liabilities and provisions decreased again accordingly; for enterprises as a whole, this figure was down to 74½%. Liabilities to banks decreased only in the long-term segment, whereas the share of short-term bank borrowing managed to stabilise for the first time in a long while (at 6½% of the balance sheet total). Provisions were raised by a comparatively moderate degree. The lower transfers to pension provisions mentioned above also contributed to this development.

*Financing ratios still favourable*

While the upward movement of the equity ratio continued in 2007, other balance sheet ratios point to a consolidation of financing relations at a high level. At 44½% of the balance sheet total, long-term equity and liabilities remained fairly high in a multi-year comparison. Moreover, they clearly exceeded the stock of fixed assets by 13%. The short-term financing situation remained relaxed; although, at 92% of short-term liabilities, cash resources and short-term receivables were down on the 2006 ratio, they far exceeded the average of 87½% since the beginning of the series in 1997. In addition, the share of cash flow in liabilities and provisions – a ratio which shows firms' repayment capacity – continued to increase to 19%. The comparable values at the beginning of the decade were just over 15%.

*Solid financing relations as crisis buffer*

All in all, the balance sheets for 2007 show remarkable underlying financial strength for German enterprises in the economic sectors examined. Given the recent marked deterioration in the economic outlook and the ongoing financial market crisis, this buffer is now proving very beneficial. For some enterprises, this could even be the key to safeguarding their commercial viability. In addition, this financial buffer reduces the banking sector's need for write-offs. Seen in this light, German enterprises have successfully used the buoyant economic years in this decade to strengthen their financial resilience. This is particularly true in comparison with the previous cycle when they were faced with cyclically related strains and substantial balance sheet problems following the bursting of the New Economy bubble.

The tables accompanying this article are printed on the following pages.

## German enterprises' balance sheet and income statement by economic sector *

€ billion

| Item | All economic sectors [1] | | Manufacturing [2] | | *of which* Manufacture of food products and beverages | | Manufacture of textiles and textile products | | Manufacture of wood and wood products | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 |
| **Balance sheet** | | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Intangible fixed assets | 43.0 | 41.8 | 25.4 | 24.9 | 2.1 | 1.6 | 0.2 | 0.2 | 0.1 | 0.1 |
| Tangible fixed assets | 449.0 | 460.2 | 257.2 | 262.6 | 27.6 | 28.8 | 3.2 | 3.0 | 5.1 | 5.7 |
| *of which:* Land and buildings | 189.7 | 190.7 | 100.6 | 100.3 | 13.7 | 14.4 | 1.7 | 1.5 | 2.5 | 2.7 |
| Inventories | 404.9 | 409.9 | 209.5 | 222.0 | 11.7 | 12.6 | 5.0 | 4.9 | 3.5 | 3.3 |
| *of which* | | | | | | | | | | |
| Work in progress | 119.5 | 109.3 | 66.0 | 67.9 | 1.2 | 1.3 | 0.8 | 0.7 | 1.0 | 0.7 |
| Finished goods and merchandise | 208.0 | 216.6 | 79.0 | 84.1 | 6.4 | 6.8 | 2.8 | 2.8 | 1.4 | 1.5 |
| Cash | 151.9 | 155.2 | 75.8 | 75.5 | 4.0 | 4.4 | 1.1 | 1.1 | 0.8 | 1.0 |
| Receivables | 702.6 | 781.1 | 397.2 | 447.6 | 26.9 | 29.3 | 5.5 | 5.5 | 4.1 | 4.6 |
| Short-term | 652.4 | 728.6 | 363.8 | 412.4 | 24.2 | 26.7 | 5.1 | 5.0 | 3.8 | 4.3 |
| *of which* | | | | | | | | | | |
| Trade receivables | 275.6 | 306.0 | 126.2 | 137.1 | 12.3 | 12.8 | 2.7 | 2.6 | 1.8 | 2.2 |
| Receivables from affiliated companies | 291.9 | 329.0 | 199.6 | 230.1 | 9.2 | 10.5 | 1.8 | 1.7 | 1.5 | 1.6 |
| Long-term | 50.2 | 52.4 | 33.3 | 35.2 | 2.7 | 2.6 | 0.4 | 0.5 | 0.3 | 0.3 |
| *of which:* Loans to affiliated companies | 24.5 | 25.9 | 17.3 | 18.2 | 1.0 | 1.0 | 0.2 | 0.3 | 0.2 | 0.2 |
| Securities | 51.3 | 64.2 | 36.8 | 48.5 | 1.6 | 1.6 | 0.2 | 0.2 | 0.1 | 0.1 |
| Other long-term equity investments [4] | 289.6 | 300.1 | 245.4 | 245.6 | 7.6 | 7.4 | 0.9 | 0.9 | 0.4 | 0.4 |
| Prepaid expenses | 10.8 | 10.9 | 4.1 | 4.1 | 0.3 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 |
| Balance sheet total (adjusted) | 2,103.1 | 2,223.4 | 1,251.3 | 1,330.8 | 81.8 | 86.1 | 16.1 | 15.9 | 14.3 | 15.3 |
| **Capital** | | | | | | | | | | |
| Equity [5] (adjusted) | 500.2 | 549.8 | 343.2 | 372.4 | 21.2 | 23.1 | 5.0 | 4.9 | 2.9 | 3.2 |
| Liabilities | 1,183.7 | 1,239.9 | 613.6 | 656.5 | 48.1 | 50.3 | 9.2 | 9.1 | 9.9 | 10.7 |
| Short-term | 917.5 | 964.0 | 479.4 | 517.8 | 33.3 | 34.2 | 6.8 | 6.7 | 6.8 | 6.7 |
| *of which* | | | | | | | | | | |
| Liabilities to banks | 141.2 | 141.7 | 52.2 | 53.7 | 8.6 | 7.8 | 1.6 | 1.4 | 1.8 | 1.6 |
| Trade payables | 223.2 | 243.5 | 93.8 | 103.2 | 9.2 | 10.1 | 1.7 | 1.7 | 1.5 | 1.7 |
| Liabilities to affiliated companies | 311.5 | 349.3 | 213.6 | 239.9 | 11.0 | 11.9 | 2.6 | 2.7 | 1.8 | 2.0 |
| Payments received on account of orders | 111.5 | 99.7 | 59.2 | 59.8 | 0.0 | 0.1 | 0.0 | 0.0 | 0.7 | 0.4 |
| Long-term | 266.2 | 275.9 | 134.2 | 138.7 | 14.8 | 16.1 | 2.3 | 2.4 | 3.1 | 3.9 |
| *of which* | | | | | | | | | | |
| Liabilities to banks | 159.7 | 162.0 | 67.3 | 66.7 | 10.2 | 10.8 | 1.1 | 1.1 | 2.3 | 2.7 |
| Liabilities to affiliated companies | 69.7 | 71.6 | 44.0 | 45.1 | 2.9 | 3.6 | 0.7 | 0.8 | 0.6 | 1.0 |
| Provisions [5] | 411.0 | 425.5 | 291.8 | 299.3 | 12.5 | 12.7 | 1.9 | 1.9 | 1.4 | 1.4 |
| *of which:* Provisions for pensions | 169.6 | 169.9 | 134.1 | 133.1 | 4.7 | 4.8 | 0.8 | 0.8 | 0.3 | 0.3 |
| Deferred income | 8.1 | 8.3 | 2.7 | 2.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Balance sheet total (adjusted) | 2,103.1 | 2,223.4 | 1,251.3 | 1,330.8 | 81.8 | 86.1 | 16.1 | 15.9 | 14.3 | 15.3 |
| **Income statement** | | | | | | | | | | |
| Sales | 3,735.2 | 4,011.4 | 1,699.4 | 1,826.8 | 168.2 | 174.1 | 28.7 | 28.4 | 23.6 | 26.4 |
| Change in finished goods [6] | 11.2 | 2.0 | 7.2 | 8.1 | 0.3 | 0.1 | 0.0 | 0.0 | 0.1 | – 0.1 |
| Gross revenue | 3,746.4 | 4,013.5 | 1,706.6 | 1,835.0 | 168.4 | 174.2 | 28.6 | 28.4 | 23.7 | 26.2 |
| Interest and similar income | 16.0 | 18.9 | 10.2 | 12.5 | 0.5 | 0.5 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other income [7] | 161.9 | 168.1 | 89.4 | 96.9 | 6.3 | 6.4 | 1.1 | 1.1 | 0.9 | 1.0 |
| *of which:* from long-term equity investments | 18.0 | 24.9 | 13.5 | 19.9 | 0.8 | 0.7 | 0.1 | 0.1 | 0.0 | 0.0 |
| Total income | 3,924.3 | 4,200.4 | 1,806.2 | 1,944.3 | 175.2 | 181.2 | 29.9 | 29.6 | 24.6 | 27.3 |
| Cost of materials | 2,376.0 | 2,581.2 | 1,019.8 | 1,116.6 | 107.4 | 113.9 | 16.8 | 16.9 | 13.4 | 15.5 |
| Personnel expenses | 648.8 | 659.0 | 332.5 | 336.7 | 23.6 | 23.1 | 5.7 | 5.5 | 5.0 | 5.0 |
| Depreciation | 107.2 | 109.6 | 63.7 | 66.4 | 5.4 | 5.7 | 0.7 | 0.7 | 0.9 | 1.0 |
| *of which:* of tangible fixed assets [8] | 97.4 | 98.2 | 57.5 | 58.2 | 5.1 | 5.3 | 0.6 | 0.6 | 0.8 | 0.9 |
| Interest and similar expenses | 36.6 | 38.9 | 19.4 | 20.8 | 1.6 | 1.7 | 0.4 | 0.4 | 0.4 | 0.4 |
| Operating taxes | 59.5 | 63.1 | 45.2 | 49.2 | 1.4 | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| *of which:* Excise duties | 56.2 | 59.2 | 43.7 | 47.4 | 0.9 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other expenses [9] | 536.1 | 565.3 | 249.1 | 265.4 | 29.1 | 28.9 | 5.0 | 5.0 | 4.0 | 4.3 |
| Total expenses before taxes on income | 3,764.2 | 4,017.2 | 1,729.8 | 1,855.1 | 168.5 | 174.8 | 28.7 | 28.6 | 23.7 | 26.2 |
| Annual result before taxes on income | 160.1 | 183.2 | 76.4 | 89.2 | 6.7 | 6.3 | 1.2 | 1.0 | 0.9 | 1.2 |
| Taxes on income [10] | 34.2 | 35.7 | 19.4 | 19.7 | 1.3 | 1.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Annual result | 125.9 | 147.4 | 57.0 | 69.5 | 5.4 | 5.1 | 0.9 | 0.8 | 0.8 | 1.0 |
| Cash flow [11] | 248.1 | 271.9 | 131.4 | 143.5 | 10.9 | 10.9 | 1.3 | 1.5 | 1.9 | 1.9 |

* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — **1** Manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services. — **2** Including mining and quarrying. — **3** Comparability with previous year's results impaired by corporate restructuring within this sector. — **4** Including shares in affiliated companies. — **5** Including half of the special tax-allowable reserve. — **6** Including other own work capita-

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| Manufacture of pulp, paper and paper products; publishing and printing | | Manufacture of chemicals and chemical products 3 | | Manufacture of rubber and plastic products | | Manufacture of other non-metallic mineral products | | Manufacture of basic metals and fabricated metal products | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | Item |
| | | | | | | | | | | **Balance sheet** |
| | | | | | | | | | | **Assets** |
| 1.6 | 1.2 | 5.5 | 4.9 | 0.6 | 0.5 | 0.4 | 0.5 | 1.7 | 2.1 | Intangible fixed assets |
| 23.5 | 23.5 | 29.8 | 30.6 | 10.3 | 10.1 | 9.9 | 10.3 | 32.9 | 33.9 | Tangible fixed assets |
| 8.5 | 8.2 | 10.6 | 10.6 | 4.2 | 4.0 | 4.8 | 5.0 | 12.9 | 12.8 | *of which:* Land and buildings |
| 8.5 | 8.4 | 18.7 | 18.3 | 6.5 | 7.2 | 5.6 | 5.8 | 28.5 | 30.7 | Inventories |
| | | | | | | | | | | *of which* |
| 1.3 | 1.2 | 3.7 | 3.5 | 1.3 | 1.4 | 1.4 | 1.4 | 10.6 | 11.4 | Work in progress |
| 3.9 | 4.0 | 10.1 | 9.9 | 3.1 | 3.5 | 2.7 | 2.7 | 9.3 | 9.8 | Finished goods and merchandise |
| 4.7 | 5.1 | 11.1 | 7.9 | 2.6 | 1.9 | 2.0 | 1.9 | 7.0 | 7.8 | Cash |
| 20.3 | 21.9 | 62.9 | 79.5 | 12.4 | 14.3 | 9.5 | 11.1 | 35.2 | 39.6 | Receivables |
| 19.4 | 20.8 | 56.2 | 73.8 | 11.5 | 13.2 | 8.8 | 10.4 | 33.7 | 37.9 | Short-term |
| | | | | | | | | | | *of which* |
| 8.3 | 8.5 | 13.1 | 13.6 | 5.0 | 5.4 | 2.8 | 3.2 | 16.8 | 20.1 | Trade receivables |
| 9.0 | 9.6 | 38.5 | 55.4 | 5.4 | 6.3 | 5.1 | 6.0 | 13.7 | 12.6 | Receivables from affiliated companies |
| 0.9 | 1.1 | 6.7 | 5.8 | 0.9 | 1.2 | 0.6 | 0.7 | 1.5 | 1.7 | Long-term |
| 0.5 | 0.5 | 5.9 | 4.9 | 0.4 | 0.5 | 0.5 | 0.5 | 0.8 | 0.9 | *of which:* Loans to affiliated companies |
| 1.1 | 1.3 | 3.9 | 7.2 | 0.2 | 0.4 | 0.6 | 0.6 | 1.0 | 1.1 | Securities |
| 4.9 | 5.9 | 75.1 | 70.2 | 4.9 | 6.4 | 4.4 | 5.4 | 7.0 | 7.5 | Other long-term equity investments 4 |
| 0.3 | 0.3 | 0.5 | 0.6 | 0.1 | 0.1 | 0.3 | 0.1 | 0.4 | 0.4 | Prepaid expenses |
| 64.8 | 67.6 | 207.6 | 219.2 | 37.7 | 41.0 | 32.8 | 35.8 | 113.7 | 123.1 | Balance sheet total (adjusted) |
| | | | | | | | | | | **Capital** |
| 18.2 | 18.6 | 67.1 | 74.0 | 10.5 | 11.3 | 10.4 | 11.9 | 31.2 | 34.0 | Equity 5 (adjusted) |
| 35.3 | 36.7 | 98.6 | 102.5 | 21.1 | 23.5 | 15.4 | 16.5 | 62.3 | 66.9 | Liabilities |
| 23.4 | 24.3 | 71.7 | 75.6 | 15.0 | 16.8 | 10.7 | 12.1 | 45.8 | 48.7 | Short-term |
| | | | | | | | | | | *of which* |
| 4.5 | 4.4 | 3.7 | 3.3 | 3.0 | 3.6 | 2.0 | 2.0 | 8.0 | 7.8 | Liabilities to banks |
| 5.8 | 6.1 | 8.0 | 8.6 | 3.3 | 3.8 | 2.0 | 2.3 | 11.7 | 14.3 | Trade payables |
| 9.1 | 10.0 | 50.6 | 53.3 | 6.1 | 7.0 | 4.5 | 5.2 | 15.1 | 15.7 | Liabilities to affiliated companies |
| 0.3 | 0.5 | 2.7 | 0.8 | 0.3 | 0.4 | 0.7 | 0.8 | 4.5 | 4.8 | Payments received on account of orders |
| 11.9 | 12.4 | 26.9 | 26.9 | 6.1 | 6.6 | 4.7 | 4.4 | 16.5 | 18.1 | Long-term |
| | | | | | | | | | | *of which* |
| 6.9 | 7.4 | 8.6 | 7.4 | 3.5 | 3.4 | 2.4 | 2.1 | 9.9 | 10.4 | Liabilities to banks |
| 4.0 | 4.0 | 6.9 | 6.0 | 1.8 | 2.4 | 2.1 | 1.9 | 5.2 | 5.9 | Liabilities to affiliated companies |
| 11.0 | 12.0 | 41.6 | 42.3 | 6.1 | 6.2 | 7.0 | 7.4 | 20.1 | 22.2 | Provisions 5 |
| 5.4 | 5.8 | 24.2 | 24.6 | 2.3 | 2.3 | 3.2 | 3.1 | 8.5 | 9.1 | *of which:* Provisions for pensions |
| 0.3 | 0.3 | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | Deferred income |
| 64.8 | 67.6 | 207.6 | 219.2 | 37.7 | 41.0 | 32.8 | 35.8 | 113.7 | 123.1 | Balance sheet total (adjusted) |
| | | | | | | | | | | **Income statement** |
| 96.5 | 98.8 | 164.7 | 174.8 | 60.0 | 65.5 | 38.2 | 41.8 | 194.8 | 224.9 | Sales |
| 0.2 | 0.2 | 0.5 | 0.5 | 0.3 | 0.4 | 0.1 | 0.0 | 1.4 | 1.6 | Change in finished goods 6 |
| 96.7 | 99.0 | 165.2 | 175.3 | 60.3 | 65.9 | 38.3 | 41.8 | 196.2 | 226.6 | Gross revenue |
| 0.4 | 0.5 | 2.0 | 2.6 | 0.2 | 0.3 | 0.2 | 0.2 | 0.5 | 0.7 | Interest and similar income |
| 4.8 | 5.2 | 16.1 | 20.1 | 2.4 | 2.8 | 2.8 | 2.5 | 6.7 | 7.5 | Other income 7 |
| 0.7 | 0.6 | 3.9 | 5.7 | 0.3 | 0.5 | 0.4 | 0.3 | 0.7 | 0.8 | *of which:* from long-term equity investments |
| 101.9 | 104.7 | 183.4 | 198.0 | 62.8 | 68.9 | 41.3 | 44.5 | 203.4 | 234.7 | Total income |
| 47.7 | 50.0 | 90.9 | 99.6 | 33.2 | 37.6 | 19.1 | 20.9 | 115.0 | 137.9 | Cost of materials |
| 22.4 | 22.0 | 31.4 | 30.4 | 13.6 | 13.8 | 9.5 | 9.7 | 43.3 | 45.4 | Personnel expenses |
| 4.8 | 4.6 | 8.7 | 9.1 | 2.5 | 2.4 | 2.0 | 1.9 | 7.1 | 7.2 | Depreciation |
| 4.6 | 4.4 | 6.9 | 7.1 | 2.3 | 2.1 | 1.8 | 1.8 | 6.6 | 6.7 | *of which:* of tangible fixed assets 8 |
| 1.3 | 1.3 | 4.0 | 4.2 | 0.8 | 0.8 | 0.6 | 0.6 | 2.0 | 2.1 | Interest and similar expenses |
| 0.1 | 0.1 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 | Operating taxes |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | *of which:* Excise duties |
| 20.0 | 20.8 | 35.6 | 38.0 | 9.6 | 10.4 | 8.0 | 8.7 | 25.0 | 28.0 | Other expenses 9 |
| 96.3 | 98.9 | 170.8 | 181.5 | 59.7 | 65.1 | 39.2 | 41.8 | 192.4 | 220.8 | Total expenses before taxes on income |
| 5.6 | 5.8 | 12.6 | 16.5 | 3.1 | 3.8 | 2.1 | 2.7 | 11.0 | 13.9 | Annual result before taxes on income |
| 1.1 | 0.9 | 3.1 | 3.7 | 0.9 | 0.9 | 0.3 | 0.4 | 2.5 | 3.1 | Taxes on income 10 |
| 4.5 | 4.8 | 9.5 | 12.8 | 2.2 | 2.9 | 1.8 | 2.3 | 8.5 | 10.8 | Annual result |
| 9.5 | 10.4 | 19.8 | 22.5 | 4.9 | 5.4 | 4.0 | 4.7 | 16.8 | 20.2 | Cash flow 11 |

lised. — **7** Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — **8** Including amortisation and write-downs of intangible fixed assets. — **9** Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — **10** In the case of partnerships and sole proprietorships, trade earnings tax only. — **11** Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

## German enterprises' balance sheet and income statement by economic sector * (cont'd)

€ billion

| Item | Manufacturing (cont'd): *of which* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Manufacture of machinery and equipment | | Manufacture of office machinery, computers and electrical equipment | | Manufacture of medical, precision and optical instruments | | Manufacture of transport equipment | | Construction | |
| | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 |
| **Balance sheet** | | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Intangible fixed assets | 2.6 | 2.6 | 2.1 | 2.6 | 2.0 | 1.2 | 3.1 | 4.5 | 0.6 | 0.7 |
| Tangible fixed assets | 21.8 | 22.4 | 17.2 | 18.5 | 6.5 | 6.6 | 43.6 | 41.3 | 22.3 | 23.4 |
| *of which:* Land and buildings | 10.1 | 10.1 | 5.2 | 5.3 | 3.3 | 3.2 | 10.6 | 10.0 | 11.4 | 11.5 |
| Inventories | 38.0 | 49.5 | 21.6 | 23.6 | 8.0 | 8.7 | 40.0 | 34.6 | 42.7 | 31.2 |
| *of which* | | | | | | | | | | |
| Work in progress | 20.2 | 22.9 | 6.9 | 6.4 | 2.9 | 3.2 | 11.9 | 11.3 | 35.2 | 23.9 |
| Finished goods and merchandise | 7.3 | 7.9 | 8.6 | 11.7 | 2.8 | 2.8 | 14.4 | 14.4 | 4.6 | 4.4 |
| Cash | 11.0 | 12.3 | 10.7 | 11.7 | 2.7 | 2.8 | 14.2 | 13.5 | 10.2 | 10.2 |
| Receivables | 45.3 | 49.5 | 47.2 | 53.7 | 14.6 | 15.3 | 73.5 | 84.0 | 32.3 | 38.4 |
| Short-term | 43.0 | 47.4 | 44.8 | 51.5 | 13.5 | 14.0 | 62.3 | 71.1 | 30.9 | 37.0 |
| *of which* | | | | | | | | | | |
| Trade receivables | 19.4 | 22.0 | 13.0 | 14.3 | 4.6 | 5.1 | 13.8 | 14.3 | 18.4 | 23.7 |
| Receivables from affiliated companies | 20.1 | 20.6 | 28.2 | 32.8 | 7.8 | 7.8 | 41.3 | 48.8 | 7.7 | 8.1 |
| Long-term | 2.4 | 2.1 | 2.4 | 2.2 | 1.2 | 1.3 | 11.2 | 12.9 | 1.4 | 1.4 |
| *of which:* Loans to affiliated companies | 1.2 | 1.2 | 2.0 | 1.7 | 0.8 | 0.9 | 2.1 | 3.1 | 0.6 | 0.6 |
| Securities | 3.3 | 3.4 | 10.2 | 16.5 | 0.8 | 0.8 | 10.4 | 14.0 | 1.5 | 1.4 |
| Other long-term equity investments 4 | 12.9 | 14.0 | 52.1 | 46.2 | 4.3 | 4.1 | 57.7 | 64.2 | 2.5 | 2.8 |
| Prepaid expenses | 0.5 | 0.4 | 0.5 | 0.5 | 0.1 | 0.1 | 0.4 | 0.4 | 1.3 | 1.1 |
| Balance sheet total (adjusted) | 135.3 | 154.2 | 161.5 | 173.2 | 39.1 | 39.4 | 242.9 | 256.4 | 113.3 | 109.0 |
| **Capital** | | | | | | | | | | |
| Equity 5 (adjusted) | 34.8 | 38.5 | 46.8 | 51.1 | 12.4 | 12.1 | 54.6 | 60.6 | 9.6 | 12.0 |
| Liabilities | 70.6 | 84.5 | 74.0 | 82.7 | 17.2 | 17.7 | 104.8 | 108.7 | 90.1 | 82.2 |
| Short-term | 58.0 | 71.4 | 63.4 | 72.3 | 12.7 | 13.4 | 93.5 | 97.6 | 74.3 | 66.0 |
| *of which* | | | | | | | | | | |
| Liabilities to banks | 6.6 | 7.2 | 2.9 | 3.3 | 1.9 | 2.0 | 3.0 | 5.0 | 11.1 | 10.8 |
| Trade payables | 11.3 | 13.7 | 9.0 | 9.4 | 2.3 | 2.5 | 20.4 | 20.5 | 13.9 | 15.8 |
| Liabilities to affiliated companies | 15.1 | 17.9 | 33.7 | 41.8 | 4.5 | 4.8 | 40.7 | 48.9 | 5.6 | 6.4 |
| Payments received on account of orders | 18.5 | 26.1 | 10.0 | 11.1 | 2.1 | 2.3 | 18.3 | 11.8 | 32.9 | 22.0 |
| Long-term | 12.6 | 13.1 | 10.6 | 10.4 | 4.5 | 4.3 | 11.3 | 11.1 | 15.8 | 16.2 |
| *of which* | | | | | | | | | | |
| Liabilities to banks | 6.7 | 6.2 | 3.1 | 3.5 | 3.2 | 2.6 | 4.3 | 4.3 | 11.6 | 11.7 |
| Liabilities to affiliated companies | 4.6 | 5.2 | 6.4 | 5.4 | 0.9 | 1.3 | 4.9 | 4.5 | 2.6 | 2.7 |
| Provisions 5 | 29.7 | 31.0 | 40.0 | 38.6 | 9.3 | 9.3 | 83.2 | 86.7 | 13.5 | 14.7 |
| *of which:* Provisions for pensions | 11.4 | 11.4 | 20.4 | 18.0 | 4.7 | 4.5 | 37.4 | 38.3 | 3.0 | 2.9 |
| Deferred income | 0.2 | 0.2 | 0.7 | 0.8 | 0.2 | 0.2 | 0.3 | 0.3 | 0.1 | 0.1 |
| Balance sheet total (adjusted) | 135.3 | 154.2 | 161.5 | 173.2 | 39.1 | 39.4 | 242.9 | 256.4 | 113.3 | 109.0 |
| **Income statement** | | | | | | | | | | |
| Sales | 186.5 | 204.8 | 157.7 | 168.6 | 47.6 | 50.2 | 321.5 | 341.6 | 167.6 | 188.0 |
| Change in finished goods 6 | 2.0 | 3.1 | 0.9 | 0.6 | 0.2 | 0.4 | 0.5 | 1.1 | 2.2 | – 6.4 |
| Gross revenue | 188.5 | 207.9 | 158.7 | 169.2 | 47.8 | 50.6 | 322.0 | 342.7 | 169.8 | 181.6 |
| Interest and similar income | 0.8 | 1.0 | 1.4 | 1.7 | 0.3 | 0.3 | 3.2 | 3.8 | 0.5 | 0.5 |
| Other income 7 | 9.0 | 8.7 | 10.7 | 12.6 | 3.2 | 2.5 | 17.9 | 19.6 | 6.4 | 6.4 |
| *of which:* from long-term equity investments | 1.1 | 1.0 | 2.5 | 4.3 | 0.3 | 0.2 | 2.1 | 4.7 | 0.2 | 0.3 |
| Total income | 198.3 | 217.6 | 170.8 | 183.5 | 51.3 | 53.4 | 343.1 | 366.1 | 176.7 | 188.5 |
| Cost of materials | 103.7 | 116.1 | 100.1 | 109.5 | 21.4 | 23.0 | 231.8 | 245.8 | 85.9 | 92.4 |
| Personnel expenses | 49.4 | 50.8 | 35.3 | 37.6 | 15.0 | 15.2 | 58.1 | 58.2 | 49.8 | 49.7 |
| Depreciation | 5.4 | 5.4 | 6.1 | 6.4 | 1.7 | 1.7 | 13.6 | 15.1 | 5.1 | 5.3 |
| *of which:* of tangible fixed assets 8 | 4.7 | 4.7 | 5.4 | 5.5 | 1.6 | 1.5 | 12.6 | 12.7 | 4.5 | 4.8 |
| Interest and similar expenses | 1.8 | 2.0 | 2.3 | 2.6 | 0.5 | 0.5 | 2.6 | 3.0 | 2.2 | 2.2 |
| Operating taxes | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 |
| *of which:* Excise duties | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other expenses 9 | 27.5 | 30.0 | 19.6 | 21.8 | 9.1 | 9.2 | 34.5 | 38.1 | 25.8 | 28.3 |
| Total expenses before taxes on income | 187.9 | 204.4 | 163.5 | 178.0 | 47.9 | 49.6 | 340.8 | 360.2 | 169.0 | 178.2 |
| Annual result before taxes on income | 10.4 | 13.2 | 7.3 | 5.5 | 3.4 | 3.8 | 2.3 | 5.8 | 7.6 | 10.4 |
| Taxes on income 10 | 2.5 | 3.0 | 1.8 | 0.6 | 0.7 | 0.9 | 2.4 | 2.2 | 1.1 | 1.3 |
| Annual result | 7.8 | 10.2 | 5.4 | 4.9 | 2.6 | 2.9 | – 0.1 | 3.6 | 6.6 | 9.0 |
| Cash flow 11 | 13.8 | 16.9 | 11.8 | 10.1 | 3.1 | 4.6 | 20.5 | 22.3 | 10.9 | 16.1 |

* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — **1** Including retail sale of automotive fuel. — **2** Including repair of personal and household goods. — **3** Including computer and related activities, research and development, and other business services (excluding holding companies). — **4** Including shares in affiliated companies. — **5** Including half of the special tax-allowable reserve. — **6** Including other own work capitalised. — **7** Excluding income from

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| Retail trade in and repair of motor vehicles and motorcycles [1] | | Wholesale trade and commission trade | | Retail trade [2] | | Transport (excluding railways) | | Business-related services [3] | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | Item |
| | | | | | | | | | | **Balance sheet** |
| | | | | | | | | | | **Assets** |
| 0.5 | 0.5 | 5.0 | 4.5 | 3.3 | 3.1 | 1.2 | 1.4 | 7.0 | 6.7 | Intangible fixed assets |
| 18.1 | 19.5 | 34.3 | 35.8 | 31.6 | 31.6 | 49.3 | 49.0 | 36.2 | 38.3 | Tangible fixed assets |
| 10.4 | 10.7 | 19.2 | 19.6 | 18.1 | 17.6 | 13.4 | 14.1 | 16.5 | 16.9 | *of which:* Land and buildings |
| 25.0 | 23.0 | 55.9 | 61.1 | 50.2 | 51.3 | 1.9 | 2.3 | 19.6 | 19.0 | Inventories |
| | | | | | | | | | | *of which* |
| 0.3 | 0.3 | 3.6 | 3.1 | 1.1 | 1.6 | 0.5 | 0.5 | 12.8 | 11.9 | Work in progress |
| 23.8 | 21.8 | 47.8 | 52.7 | 47.7 | 48.2 | 0.4 | 0.6 | 4.8 | 4.8 | Finished goods and merchandise |
| 3.5 | 4.1 | 17.2 | 19.3 | 12.9 | 14.3 | 7.1 | 6.8 | 25.3 | 24.9 | Cash |
| 20.1 | 21.0 | 102.3 | 115.8 | 47.4 | 47.0 | 30.6 | 32.4 | 72.7 | 79.0 | Receivables |
| 19.5 | 20.4 | 98.5 | 111.6 | 45.8 | 45.2 | 27.5 | 29.4 | 66.4 | 72.7 | Short-term |
| | | | | | | | | | | *of which* |
| 10.6 | 11.6 | 59.2 | 66.7 | 16.0 | 16.7 | 13.3 | 14.2 | 31.9 | 35.9 | Trade receivables |
| 5.4 | 5.0 | 27.0 | 31.8 | 19.4 | 17.8 | 9.6 | 10.7 | 23.2 | 25.6 | Receivables from affiliated companies |
| 0.5 | 0.6 | 3.9 | 4.2 | 1.6 | 1.8 | 3.1 | 2.9 | 6.4 | 6.3 | Long-term |
| 0.2 | 0.2 | 1.8 | 2.2 | 0.5 | 0.7 | 2.2 | 1.5 | 2.1 | 2.4 | *of which:* Loans to affiliated companies |
| 0.2 | 0.2 | 2.0 | 2.3 | 1.4 | 1.2 | 3.3 | 3.4 | 6.2 | 7.2 | Securities |
| 1.0 | 1.1 | 13.5 | 16.5 | 11.2 | 15.1 | 7.1 | 7.9 | 8.9 | 11.0 | Other long-term equity investments [4] |
| 0.3 | 0.3 | 0.9 | 1.0 | 1.0 | 1.0 | 0.9 | 1.0 | 2.3 | 2.5 | Prepaid expenses |
| 68.7 | 69.8 | 231.2 | 256.3 | 159.0 | 164.6 | 101.4 | 104.3 | 178.2 | 188.7 | Balance sheet total (adjusted) |
| | | | | | | | | | | **Capital** |
| 8.4 | 9.7 | 54.6 | 62.7 | 29.1 | 31.2 | 19.2 | 21.4 | 36.2 | 40.5 | Equity [5] (adjusted) |
| 53.8 | 53.4 | 149.1 | 162.9 | 112.1 | 116.4 | 64.3 | 63.9 | 100.6 | 104.7 | Liabilities |
| 41.6 | 40.8 | 124.3 | 136.2 | 80.7 | 85.2 | 39.1 | 37.0 | 78.1 | 81.0 | Short-term |
| | | | | | | | | | | *of which* |
| 17.0 | 16.4 | 23.1 | 24.7 | 14.9 | 14.8 | 10.0 | 9.5 | 12.9 | 11.9 | Liabilities to banks |
| 11.7 | 12.1 | 43.7 | 47.3 | 33.8 | 34.6 | 10.2 | 11.4 | 16.1 | 19.2 | Trade payables |
| 7.8 | 7.1 | 38.3 | 45.1 | 17.6 | 21.7 | 10.5 | 8.7 | 18.2 | 20.4 | Liabilities to affiliated companies |
| 0.3 | 0.4 | 3.1 | 2.4 | 1.5 | 1.6 | 1.1 | 1.1 | 13.5 | 12.4 | Payments received on account of orders |
| 12.2 | 12.5 | 24.9 | 26.7 | 31.5 | 31.3 | 25.1 | 26.9 | 22.5 | 23.7 | Long-term |
| | | | | | | | | | | *of which* |
| 9.2 | 9.6 | 13.7 | 15.4 | 23.5 | 22.5 | 19.1 | 20.9 | 15.3 | 15.3 | Liabilities to banks |
| 2.0 | 1.9 | 8.7 | 8.5 | 4.2 | 4.7 | 3.6 | 3.2 | 4.6 | 5.5 | Liabilities to affiliated companies |
| 6.2 | 6.4 | 26.7 | 30.2 | 16.9 | 16.0 | 17.2 | 18.3 | 38.7 | 40.6 | Provisions [5] |
| 1.2 | 1.2 | 8.9 | 9.8 | 4.7 | 4.0 | 5.4 | 5.8 | 12.3 | 13.0 | *of which:* Provisions for pensions |
| 0.2 | 0.3 | 0.8 | 0.6 | 0.9 | 1.0 | 0.7 | 0.8 | 2.7 | 3.0 | Deferred income |
| 68.7 | 69.8 | 231.2 | 256.3 | 159.0 | 164.6 | 101.4 | 104.3 | 178.2 | 188.7 | Balance sheet total (adjusted) |
| | | | | | | | | | | **Income statement** |
| 189.7 | 203.5 | 791.0 | 867.8 | 446.7 | 458.5 | 150.2 | 162.1 | 290.7 | 304.8 | Sales |
| 0.0 | – 0.1 | 0.5 | 0.1 | 0.2 | 0.1 | 0.5 | 0.6 | 0.7 | – 0.4 | Change in finished goods [6] |
| 189.6 | 203.4 | 791.5 | 868.0 | 446.9 | 458.6 | 150.7 | 162.7 | 291.4 | 304.4 | Gross revenue |
| 0.3 | 0.3 | 1.8 | 1.7 | 1.2 | 1.3 | 0.7 | 0.7 | 1.4 | 1.8 | Interest and similar income |
| 4.7 | 5.0 | 17.9 | 18.0 | 14.3 | 12.8 | 10.7 | 10.7 | 18.5 | 18.3 | Other income [7] |
| 0.1 | 0.1 | 1.4 | 1.7 | 0.8 | 0.8 | 0.6 | 0.5 | 1.5 | 1.5 | *of which:* from long-term equity investments |
| 194.6 | 208.7 | 811.1 | 887.6 | 462.3 | 472.7 | 162.0 | 174.1 | 311.3 | 324.4 | Total income |
| 144.3 | 156.4 | 650.0 | 713.9 | 303.6 | 311.6 | 70.8 | 80.2 | 101.6 | 110.0 | Cost of materials |
| 20.2 | 20.6 | 54.8 | 56.6 | 57.5 | 57.7 | 33.5 | 34.5 | 100.4 | 103.3 | Personnel expenses |
| 2.9 | 3.1 | 8.2 | 8.3 | 7.1 | 6.6 | 9.1 | 8.9 | 11.0 | 11.0 | Depreciation |
| 2.7 | 2.9 | 7.0 | 7.0 | 6.6 | 6.3 | 8.7 | 8.6 | 10.4 | 10.2 | *of which:* of tangible fixed assets [8] |
| 2.0 | 2.1 | 3.9 | 4.4 | 3.9 | 3.9 | 2.2 | 2.3 | 3.0 | 3.3 | Interest and similar expenses |
| 0.1 | 0.1 | 12.8 | 12.2 | 0.6 | 0.6 | 0.4 | 0.5 | 0.2 | 0.3 | Operating taxes |
| 0.0 | 0.0 | 12.2 | 11.6 | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | *of which:* Excise duties |
| 20.7 | 21.2 | 61.8 | 67.5 | 71.5 | 73.2 | 39.7 | 41.9 | 67.6 | 67.8 | Other expenses [9] |
| 190.2 | 203.5 | 791.5 | 862.9 | 444.2 | 453.7 | 155.7 | 168.2 | 283.8 | 295.7 | Total expenses before taxes on income |
| 4.4 | 5.2 | 19.7 | 24.8 | 18.1 | 19.0 | 6.3 | 5.9 | 27.6 | 28.8 | Annual result before taxes on income |
| 0.8 | 0.9 | 4.5 | 5.1 | 2.7 | 2.9 | 1.1 | 1.2 | 4.5 | 4.5 | Taxes on income [10] |
| 3.6 | 4.2 | 15.2 | 19.6 | 15.4 | 16.1 | 5.2 | 4.7 | 23.0 | 24.2 | Annual result |
| 6.8 | 7.6 | 23.2 | 31.1 | 23.3 | 21.7 | 15.8 | 14.6 | 36.7 | 37.2 | Cash flow [11] |

profit transfers (parent company) and loss transfers (subsidiary). — **8** Including amortisation and write-downs of intangible fixed assets. — **9** Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — **10** In the case of partnerships and sole proprietorships, trade earnings tax only. — **11** Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

## Selected ratios *

| Item | All economic sectors [1] | | Manufacturing [2] | | of which: Manufacture of food products and beverages | | of which: Manufacture of textiles and textile products | | of which: Manufacture of wood and wood products | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 |
| **Balance sheet ratios** | Percentage of balance sheet total (adjusted) | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Intangible fixed assets | 2.0 | 1.9 | 2.0 | 1.9 | 2.6 | 1.9 | 1.4 | 1.2 | 0.9 | 0.6 |
| Tangible fixed assets | 21.3 | 20.7 | 20.6 | 19.7 | 33.7 | 33.5 | 19.7 | 18.6 | 35.7 | 37.2 |
| Inventories | 19.3 | 18.4 | 16.7 | 16.7 | 14.3 | 14.6 | 30.7 | 30.7 | 24.7 | 21.9 |
| Cash | 7.2 | 7.0 | 6.1 | 5.7 | 4.9 | 5.1 | 6.9 | 7.1 | 5.7 | 6.4 |
| Receivables | 33.4 | 35.1 | 31.7 | 33.6 | 32.9 | 34.0 | 33.8 | 34.6 | 28.4 | 30.1 |
| Short-term | 31.0 | 32.8 | 29.1 | 31.0 | 29.6 | 31.0 | 31.6 | 31.7 | 26.6 | 28.0 |
| Long-term | 2.4 | 2.4 | 2.7 | 2.6 | 3.3 | 3.1 | 2.2 | 2.8 | 1.8 | 2.2 |
| Securities | 2.4 | 2.9 | 2.9 | 3.6 | 2.0 | 1.9 | 1.3 | 1.5 | 1.0 | 1.0 |
| Other long-term equity investments [4] | 13.8 | 13.5 | 19.6 | 18.5 | 9.2 | 8.5 | 5.8 | 6.0 | 3.0 | 2.4 |
| **Capital** | | | | | | | | | | |
| Equity [5] (adjusted) | 23.8 | 24.7 | 27.4 | 28.0 | 25.9 | 26.8 | 31.0 | 30.7 | 20.4 | 20.7 |
| Liabilities | 56.3 | 55.8 | 49.0 | 49.3 | 58.8 | 58.4 | 56.9 | 57.2 | 69.3 | 69.7 |
| Short-term | 43.6 | 43.4 | 38.3 | 38.9 | 40.7 | 39.7 | 42.4 | 42.2 | 47.4 | 43.9 |
| Long-term | 12.7 | 12.4 | 10.7 | 10.4 | 18.1 | 18.7 | 14.5 | 15.1 | 21.8 | 25.8 |
| Provisions [5] | 19.5 | 19.1 | 23.3 | 22.5 | 15.2 | 14.8 | 12.0 | 11.9 | 10.1 | 9.4 |
| *of which:* Provisions for pensions | 8.1 | 7.6 | 10.7 | 10.0 | 5.8 | 5.5 | 5.2 | 4.8 | 2.4 | 1.8 |
| *Memo item:* Sales | 177.6 | 180.4 | 135.8 | 137.3 | 205.5 | 202.1 | 177.6 | 178.6 | 164.5 | 172.3 |
| **Income statement ratios** | Percentage of gross revenue | | | | | | | | | |
| Sales | 99.7 | 99.9 | 99.6 | 99.6 | 99.8 | 100.0 | 100.1 | 100.0 | 99.4 | 100.4 |
| Change in finished goods [6] | 0.3 | 0.1 | 0.4 | 0.4 | 0.2 | 0.0 | -0.1 | 0.0 | 0.6 | – 0.4 |
| Gross revenue | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Interest and similar income | 0.4 | 0.5 | 0.6 | 0.7 | 0.3 | 0.3 | 0.4 | 0.4 | 0.3 | 0.4 |
| Other income [7] | 4.3 | 4.2 | 5.2 | 5.3 | 3.7 | 3.7 | 4.0 | 3.8 | 3.6 | 3.7 |
| Total income | 104.7 | 104.7 | 105.8 | 106.0 | 104.0 | 104.0 | 104.3 | 104.2 | 103.9 | 104.1 |
| Cost of materials | 63.4 | 64.3 | 59.8 | 60.9 | 63.8 | 65.4 | 58.5 | 59.5 | 56.3 | 59.1 |
| Personnel expenses | 17.3 | 16.4 | 19.5 | 18.3 | 14.0 | 13.2 | 20.0 | 19.4 | 21.1 | 18.9 |
| Depreciation | 2.9 | 2.7 | 3.7 | 3.6 | 3.2 | 3.3 | 2.6 | 2.6 | 3.8 | 3.7 |
| Interest and similar expenses | 1.0 | 1.0 | 1.1 | 1.1 | 1.0 | 1.0 | 1.4 | 1.3 | 1.5 | 1.5 |
| Operating taxes | 1.6 | 1.6 | 2.6 | 2.7 | 0.8 | 0.9 | 0.1 | 0.1 | 0.1 | 0.1 |
| *of which:* Excise duties | 1.5 | 1.5 | 2.6 | 2.6 | 0.5 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other expenses [8] | 14.3 | 14.1 | 14.6 | 14.5 | 17.3 | 16.6 | 17.6 | 17.6 | 17.0 | 16.3 |
| Total expenses before taxes on income | 100.5 | 100.1 | 101.4 | 101.1 | 100.0 | 100.4 | 100.2 | 100.7 | 99.9 | 99.7 |
| | Percentage of sales | | | | | | | | | |
| Annual result before taxes on income | 4.3 | 4.6 | 4.5 | 4.9 | 4.0 | 3.6 | 4.2 | 3.6 | 4.0 | 4.4 |
| Taxes on income [9] | 0.9 | 0.9 | 1.1 | 1.1 | 0.8 | 0.7 | 1.0 | 0.9 | 0.8 | 0.8 |
| Annual result | 3.4 | 3.7 | 3.4 | 3.8 | 3.2 | 2.9 | 3.2 | 2.7 | 3.2 | 3.6 |
| Cash flow [10] | 6.6 | 6.8 | 7.7 | 7.9 | 6.5 | 6.3 | 4.6 | 5.2 | 8.1 | 7.4 |
| **Other ratios** | | | | | | | | | | |
| Inventories | 10.8 | 10.2 | 12.3 | 12.2 | 7.0 | 7.2 | 17.3 | 17.2 | 15.0 | 12.7 |
| Short-term receivables | 17.5 | 18.2 | 21.4 | 22.6 | 14.4 | 15.3 | 17.8 | 17.8 | 16.2 | 16.2 |
| | Percentage of tangible fixed assets [11] | | | | | | | | | |
| Equity (adjusted) | 101.7 | 109.5 | 121.5 | 129.5 | 71.5 | 75.8 | 146.8 | 154.8 | 55.8 | 54.9 |
| Long-term equity and liabilities [12] | 192.6 | 200.6 | 218.1 | 225.7 | 139.2 | 146.2 | 242.0 | 257.1 | 125.1 | 130.8 |
| | Percentage of fixed assets [13] | | | | | | | | | |
| Long-term equity and liabilities [12] | 111.4 | 114.6 | 107.4 | 110.8 | 102.3 | 108.8 | 174.0 | 175.4 | 110.4 | 116.4 |
| | Percentage of short-term liabilities | | | | | | | | | |
| Cash resources [14] and short-term receivables | 91.2 | 95.8 | 96.7 | 100.3 | 88.2 | 94.1 | 93.2 | 94.6 | 70.2 | 80.2 |
| Cash resources [14], short-term receivables and inventories | 135.4 | 138.3 | 140.5 | 143.1 | 123.4 | 131.0 | 165.5 | 167.3 | 122.4 | 130.0 |
| | Percentage of liabilities and provisions [15] less cash | | | | | | | | | |
| Cash flow [10] | 17.1 | 17.9 | 15.8 | 16.3 | 19.3 | 18.7 | 13.1 | 14.9 | 18.1 | 17.5 |
| | Percentage of balance sheet total (adjusted) | | | | | | | | | |
| Annual result and interest and similar expenses | 7.7 | 8.4 | 6.1 | 6.8 | 8.6 | 7.9 | 8.1 | 7.2 | 7.8 | 8.9 |

* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — **1** Manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services. — **2** Including mining and quarrying. — **3** Comparability with previous year's results impaired by corporate restructuring within this sector. — **4** Including shares in affiliated companies. — **5** Including half of the special tax-allowable reserve. — **6** Including other own work capitalised. — **7** Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — **8** Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — **9** In the case of partnerships and sole proprietorships, trade earnings tax only. —

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| Manufacture of pulp, paper and paper products; publishing and printing | | Manufacture of chemicals and chemical products 3 | | Manufacture of rubber and plastic products | | Manufacture of other non-metallic mineral products | | Manufacture of basic metals and fabricated metal products | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | Item |
| Percentage of balance sheet total (adjusted) | | | | | | | | | | **Balance sheet ratios** |
| | | | | | | | | | | **Assets** |
| 2.4 | 1.7 | 2.6 | 2.2 | 1.6 | 1.3 | 1.3 | 1.3 | 1.5 | 1.7 | Intangible fixed assets |
| 36.3 | 34.8 | 14.3 | 14.0 | 27.3 | 24.7 | 30.3 | 28.9 | 28.9 | 27.5 | Tangible fixed assets |
| 13.1 | 12.4 | 9.0 | 8.3 | 17.3 | 17.5 | 17.1 | 16.3 | 25.0 | 24.9 | Inventories |
| 7.2 | 7.6 | 5.4 | 3.6 | 6.9 | 4.5 | 6.1 | 5.4 | 6.2 | 6.3 | Cash |
| 31.3 | 32.4 | 30.3 | 36.3 | 32.9 | 35.0 | 28.8 | 30.9 | 30.9 | 32.2 | Receivables |
| 29.9 | 30.8 | 27.1 | 33.6 | 30.6 | 32.1 | 26.9 | 29.0 | 29.6 | 30.8 | Short-term |
| 1.4 | 1.6 | 3.2 | 2.6 | 2.3 | 2.8 | 1.9 | 1.9 | 1.3 | 1.4 | Long-term |
| 1.7 | 2.0 | 1.9 | 3.3 | 0.6 | 1.0 | 2.0 | 1.7 | 0.9 | 0.9 | Securities |
| 7.5 | 8.7 | 36.2 | 32.0 | 13.1 | 15.6 | 13.5 | 15.2 | 6.2 | 6.1 | Other long-term equity investments 4 |
| | | | | | | | | | | **Capital** |
| 28.1 | 27.5 | 32.3 | 33.8 | 27.8 | 27.5 | 31.7 | 33.2 | 27.4 | 27.6 | Equity 5 (adjusted) |
| 54.5 | 54.3 | 47.5 | 46.8 | 56.0 | 57.2 | 46.8 | 46.1 | 54.8 | 54.3 | Liabilities |
| 36.1 | 35.9 | 34.5 | 34.5 | 39.8 | 41.0 | 32.6 | 33.8 | 40.3 | 39.6 | Short-term |
| 18.4 | 18.3 | 12.9 | 12.3 | 16.2 | 16.2 | 14.2 | 12.3 | 14.5 | 14.7 | Long-term |
| 17.0 | 17.7 | 20.0 | 19.3 | 16.1 | 15.2 | 21.4 | 20.6 | 17.6 | 18.0 | Provisions 5 |
| 8.3 | 8.6 | 11.6 | 11.2 | 6.2 | 5.6 | 9.8 | 8.7 | 7.5 | 7.4 | *of which:* Provisions for pensions |
| 148.8 | 146.2 | 79.3 | 79.7 | 159.0 | 159.8 | 116.3 | 116.7 | 171.3 | 182.6 | *Memo item:* Sales |
| Percentage of gross revenue | | | | | | | | | | **Income statement ratios** |
| 99.7 | 99.8 | 99.7 | 99.7 | 99.6 | 99.5 | 99.6 | 100.0 | 99.3 | 99.3 | Sales |
| 0.3 | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 | 0.4 | 0.0 | 0.7 | 0.7 | Change in finished goods 6 |
| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | Gross revenue |
| 0.4 | 0.5 | 1.2 | 1.5 | 0.3 | 0.4 | 0.5 | 0.6 | 0.3 | 0.3 | Interest and similar income |
| 5.0 | 5.2 | 9.8 | 11.5 | 3.9 | 4.2 | 7.3 | 6.0 | 3.4 | 3.3 | Other income 7 |
| 105.3 | 105.7 | 111.0 | 113.0 | 104.3 | 104.6 | 107.8 | 106.6 | 103.7 | 103.6 | Total income |
| 49.4 | 50.5 | 55.0 | 56.8 | 55.1 | 57.2 | 49.9 | 50.1 | 58.6 | 60.8 | Cost of materials |
| 23.1 | 22.3 | 19.0 | 17.4 | 22.5 | 21.0 | 24.8 | 23.2 | 22.0 | 20.0 | Personnel expenses |
| 5.0 | 4.7 | 5.3 | 5.2 | 4.1 | 3.6 | 5.1 | 4.6 | 3.6 | 3.2 | Depreciation |
| 1.3 | 1.4 | 2.4 | 2.4 | 1.3 | 1.3 | 1.4 | 1.4 | 1.0 | 0.9 | Interest and similar expenses |
| 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | Operating taxes |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | *of which:* Excise duties |
| 20.7 | 21.0 | 21.6 | 21.7 | 16.0 | 15.7 | 20.9 | 20.7 | 12.8 | 12.4 | Other expenses 8 |
| 99.5 | 99.9 | 103.4 | 103.5 | 99.1 | 98.8 | 102.3 | 100.2 | 98.1 | 97.5 | Total expenses before taxes on income |
| Percentage of sales | | | | | | | | | | |
| 5.8 | 5.8 | 7.6 | 9.4 | 5.2 | 5.8 | 5.5 | 6.4 | 5.6 | 6.2 | Annual result before taxes on income |
| 1.1 | 0.9 | 1.9 | 2.1 | 1.5 | 1.4 | 0.9 | 0.8 | 1.3 | 1.4 | Taxes on income 9 |
| 4.7 | 4.9 | 5.8 | 7.3 | 3.7 | 4.4 | 4.7 | 5.6 | 4.3 | 4.8 | Annual result |
| 9.9 | 10.5 | 12.1 | 12.9 | 8.1 | 8.3 | 10.4 | 11.4 | 8.6 | 9.0 | Cash flow 10 |
| | | | | | | | | | | **Other ratios** |
| 8.8 | 8.5 | 11.4 | 10.5 | 10.9 | 10.9 | 14.7 | 14.0 | 14.6 | 13.6 | Inventories |
| 20.1 | 21.1 | 34.1 | 42.2 | 19.2 | 20.1 | 23.1 | 24.9 | 17.3 | 16.9 | Short-term receivables |
| Percentage of tangible fixed assets 11 | | | | | | | | | | |
| 72.5 | 75.4 | 190.3 | 208.8 | 96.3 | 105.7 | 100.2 | 109.8 | 90.3 | 94.2 | Equity (adjusted) |
| 143.1 | 150.8 | 336.7 | 355.5 | 175.3 | 190.9 | 177.7 | 180.8 | 164.3 | 171.4 | Long-term equity and liabilities 12 |
| Percentage of fixed assets 13 | | | | | | | | | | |
| 114.3 | 115.3 | 100.6 | 112.4 | 113.8 | 110.5 | 116.8 | 112.7 | 130.2 | 135.0 | Long-term equity and liabilities 12 |
| Percentage of short-term liabilities | | | | | | | | | | |
| 105.4 | 109.7 | 98.1 | 116.7 | 95.3 | 90.8 | 104.0 | 103.3 | 90.0 | 94.8 | Cash resources 14 and short-term receivables |
| 141.6 | 144.2 | 124.2 | 140.9 | 138.8 | 133.4 | 156.6 | 151.5 | 152.2 | 157.8 | Cash resources 14, short-term receivables and inventories |
| Percentage of liabilities and provisions 15 less cash | | | | | | | | | | |
| 22.7 | 23.7 | 15.3 | 16.4 | 19.8 | 19.4 | 19.4 | 21.6 | 22.2 | 24.8 | Cash flow 10 |
| Percentage of balance sheet total (adjusted) | | | | | | | | | | |
| 8.9 | 9.1 | 6.5 | 7.8 | 7.9 | 9.1 | 7.1 | 8.1 | 9.2 | 10.5 | Annual result and interest and similar expenses |

**10** Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — **11** Including intangible fixed assets. — **12** Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — **13** Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — **14** Cash and short-term securities. — **15** Liabilities, provisions, deferred income and half of the special tax-allowable reserve.

## Selected ratios * (cont'd)

| Item | Manufacturing (cont'd): *of which* Manufacture of machinery and equipment 2005 | Manufacture of machinery and equipment 2006 | Manufacture of office machinery, computers and electrical equipment 2005 | Manufacture of office machinery, computers and electrical equipment 2006 | Manufacture of medical, precision and optical instruments 2005 | Manufacture of medical, precision and optical instruments 2006 | Manufacture of transport equipment 2005 | Manufacture of transport equipment 2006 | Construction 2005 | Construction 2006 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance sheet ratios** | Percentage of balance sheet total (adjusted) | | | | | | | | | |
| **Assets** | | | | | | | | | | |
| Intangible fixed assets | 1.9 | 1.7 | 1.3 | 1.5 | 5.2 | 3.0 | 1.3 | 1.8 | 0.5 | 0.6 |
| Tangible fixed assets | 16.1 | 14.5 | 10.7 | 10.7 | 16.5 | 16.6 | 17.9 | 16.1 | 19.7 | 21.4 |
| Inventories | 28.1 | 32.1 | 13.4 | 13.6 | 20.5 | 22.0 | 16.5 | 13.5 | 37.7 | 28.6 |
| Cash | 8.1 | 8.0 | 6.6 | 6.7 | 6.8 | 7.0 | 5.9 | 5.2 | 9.0 | 9.3 |
| Receivables | 33.5 | 32.1 | 29.2 | 31.0 | 37.4 | 38.8 | 30.3 | 32.8 | 28.5 | 35.2 |
| Short-term | 31.8 | 30.8 | 27.7 | 29.7 | 34.4 | 35.5 | 25.6 | 27.7 | 27.3 | 33.9 |
| Long-term | 1.7 | 1.3 | 1.5 | 1.3 | 3.0 | 3.3 | 4.6 | 5.0 | 1.2 | 1.3 |
| Securities | 2.5 | 2.2 | 6.3 | 9.5 | 2.1 | 2.0 | 4.3 | 5.5 | 1.3 | 1.3 |
| Other long-term equity investments 4 | 9.5 | 9.1 | 32.2 | 26.7 | 11.1 | 10.3 | 23.7 | 25.0 | 2.2 | 2.5 |
| **Capital** | | | | | | | | | | |
| Equity 5 (adjusted) | 25.8 | 25.0 | 29.0 | 29.5 | 31.6 | 30.8 | 22.5 | 23.6 | 8.4 | 11.0 |
| Liabilities | 52.2 | 54.8 | 45.8 | 47.7 | 44.0 | 45.0 | 43.1 | 42.4 | 79.5 | 75.4 |
| Short-term | 42.9 | 46.3 | 39.2 | 41.7 | 32.4 | 34.0 | 38.5 | 38.1 | 65.6 | 60.6 |
| Long-term | 9.3 | 8.5 | 6.6 | 6.0 | 11.6 | 11.0 | 4.7 | 4.3 | 13.9 | 14.8 |
| Provisions 5 | 21.9 | 20.1 | 24.8 | 22.3 | 23.8 | 23.6 | 34.2 | 33.8 | 11.9 | 13.5 |
| *of which:* Provisions for pensions | 8.4 | 7.4 | 12.6 | 10.4 | 12.1 | 11.5 | 15.4 | 14.9 | 2.6 | 2.7 |
| *Memo item:* Sales | 137.8 | 132.8 | 97.7 | 97.3 | 121.7 | 127.5 | 132.3 | 133.2 | 147.9 | 172.5 |
| **Income statement ratios** | Percentage of gross revenue | | | | | | | | | |
| Sales | 99.0 | 98.5 | 99.4 | 99.6 | 99.7 | 99.2 | 99.9 | 99.7 | 98.7 | 103.5 |
| Change in finished goods 6 | 1.0 | 1.5 | 0.6 | 0.4 | 0.3 | 0.8 | 0.1 | 0.3 | 1.3 | – 3.5 |
| Gross revenue | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Interest and similar income | 0.4 | 0.5 | 0.9 | 1.0 | 0.5 | 0.5 | 1.0 | 1.1 | 0.3 | 0.3 |
| Other income 7 | 4.8 | 4.2 | 6.8 | 7.4 | 6.8 | 5.0 | 5.6 | 5.7 | 3.8 | 3.5 |
| Total income | 105.2 | 104.7 | 107.6 | 108.4 | 107.3 | 105.5 | 106.6 | 106.8 | 104.1 | 103.8 |
| Cost of materials | 55.0 | 55.8 | 63.1 | 64.7 | 44.8 | 45.3 | 72.0 | 71.7 | 50.6 | 50.9 |
| Personnel expenses | 26.2 | 24.5 | 22.3 | 22.2 | 31.5 | 30.1 | 18.1 | 17.0 | 29.3 | 27.4 |
| Depreciation | 2.9 | 2.6 | 3.8 | 3.8 | 3.5 | 3.4 | 4.2 | 4.4 | 3.0 | 2.9 |
| Interest and similar expenses | 1.0 | 1.0 | 1.5 | 1.5 | 1.2 | 1.1 | 0.8 | 0.9 | 1.3 | 1.2 |
| Operating taxes | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.2 |
| *of which:* Excise duties | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other expenses 8 | 14.6 | 14.4 | 12.3 | 12.9 | 19.2 | 18.1 | 10.7 | 11.1 | 15.2 | 15.6 |
| Total expenses before taxes on income | 99.7 | 98.3 | 103.0 | 105.2 | 100.2 | 98.0 | 105.8 | 105.1 | 99.6 | 98.1 |
| | Percentage of sales | | | | | | | | | |
| Annual result before taxes on income | 5.6 | 6.5 | 4.6 | 3.3 | 7.1 | 7.6 | 0.7 | 1.7 | 4.6 | 5.5 |
| Taxes on income 9 | 1.4 | 1.5 | 1.2 | 0.4 | 1.6 | 1.7 | 0.8 | 0.6 | 0.6 | 0.7 |
| Annual result | 4.2 | 5.0 | 3.5 | 2.9 | 5.5 | 5.9 | 0.0 | 1.1 | 3.9 | 4.8 |
| Cash flow 10 | 7.4 | 8.3 | 7.5 | 6.0 | 6.5 | 9.2 | 6.4 | 6.5 | 6.5 | 8.5 |
| **Other ratios** | | | | | | | | | | |
| Inventories | 20.4 | 24.2 | 13.7 | 14.0 | 16.8 | 17.3 | 12.4 | 10.1 | 25.5 | 16.6 |
| Short-term receivables | 23.0 | 23.2 | 28.4 | 30.5 | 28.3 | 27.8 | 19.4 | 20.8 | 18.5 | 19.7 |
| | Percentage of tangible fixed assets 11 | | | | | | | | | |
| Equity (adjusted) | 143.0 | 154.1 | 242.3 | 242.9 | 145.2 | 157.3 | 117.0 | 132.4 | 41.7 | 49.9 |
| Long-term equity and liabilities 12 | 242.9 | 253.6 | 406.1 | 381.4 | 256.0 | 274.7 | 221.9 | 240.6 | 128.1 | 135.0 |
| | Percentage of fixed assets 13 | | | | | | | | | |
| Long-term equity and liabilities 12 | 143.9 | 149.1 | 102.7 | 103.3 | 154.2 | 160.5 | 87.5 | 87.2 | 108.2 | 113.9 |
| | Percentage of short-term liabilities | | | | | | | | | |
| Cash resources 14 and short-term receivables | 96.1 | 86.5 | 99.5 | 98.8 | 132.7 | 129.8 | 90.0 | 97.4 | 56.9 | 73.1 |
| Cash resources 14, short-term receivables and inventories | 161.5 | 155.9 | 133.6 | 131.5 | 195.9 | 194.5 | 132.8 | 132.8 | 114.3 | 120.3 |
| | Percentage of liabilities and provisions 15 less cash | | | | | | | | | |
| Cash flow 10 | 15.4 | 16.4 | 11.3 | 9.1 | 12.9 | 18.9 | 11.8 | 12.2 | 11.6 | 18.5 |
| | Percentage of balance sheet total (adjusted) | | | | | | | | | |
| Annual result and interest and similar expenses | 7.1 | 7.9 | 4.8 | 4.3 | 8.1 | 8.8 | 1.1 | 2.6 | 7.7 | 10.2 |

***** Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — **1** Including retail sale of automotive fuel. — **2** Including repair of personal and household goods. — **3** Including computer and related activities, research and development, and other business services (excluding holding companies). — **4** Including shares in affiliated companies. — **5** Including half of the special tax-allowable reserve. — **6** Including other own work capitalised. — **7** Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — **8** Excluding cost of loss transfers (parent company) and profit transfers

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| Retail trade in and repair of motor vehicles and motorcycles 1 | | Wholesale trade and commission trade | | Retail trade 2 | | Transport (excluding railways) | | Business-related services 3 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | Item |
| Percentage of balance sheet total (adjusted) | | | | | | | | | | **Balance sheet ratios** |
| | | | | | | | | | | **Assets** |
| 0.8 | 0.7 | 2.2 | 1.8 | 2.0 | 1.9 | 1.2 | 1.4 | 4.0 | 3.6 | Intangible fixed assets |
| 26.4 | 27.9 | 14.8 | 14.0 | 19.9 | 19.2 | 48.7 | 47.0 | 20.3 | 20.3 | Tangible fixed assets |
| 36.4 | 33.0 | 24.2 | 23.8 | 31.6 | 31.2 | 1.9 | 2.2 | 11.0 | 10.1 | Inventories |
| 5.1 | 5.9 | 7.4 | 7.5 | 8.1 | 8.7 | 7.0 | 6.5 | 14.2 | 13.2 | Cash |
| 29.2 | 30.1 | 44.3 | 45.2 | 29.8 | 28.5 | 30.1 | 31.0 | 40.8 | 41.8 | Receivables |
| 28.4 | 29.2 | 42.6 | 43.5 | 28.8 | 27.4 | 27.1 | 28.2 | 37.3 | 38.5 | Short-term |
| 0.8 | 0.9 | 1.7 | 1.6 | 1.0 | 1.1 | 3.0 | 2.8 | 3.6 | 3.3 | Long-term |
| 0.3 | 0.2 | 0.9 | 0.9 | 0.9 | 0.7 | 3.3 | 3.3 | 3.5 | 3.8 | Securities |
| 1.4 | 1.6 | 5.8 | 6.4 | 7.1 | 9.2 | 7.0 | 7.6 | 5.0 | 5.9 | Other long-term equity investments 4 |
| | | | | | | | | | | **Capital** |
| 12.2 | 13.9 | 23.6 | 24.5 | 18.3 | 19.0 | 19.0 | 20.5 | 20.3 | 21.4 | Equity 5 (adjusted) |
| 78.3 | 76.5 | 64.5 | 63.6 | 70.5 | 70.8 | 63.4 | 61.2 | 56.5 | 55.5 | Liabilities |
| 60.5 | 58.5 | 53.8 | 53.1 | 50.7 | 51.8 | 38.6 | 35.5 | 43.8 | 42.9 | Short-term |
| 17.8 | 18.0 | 10.8 | 10.4 | 19.8 | 19.0 | 24.8 | 25.8 | 12.6 | 12.6 | Long-term |
| 9.1 | 9.2 | 11.5 | 11.8 | 10.6 | 9.7 | 17.0 | 17.6 | 21.7 | 21.5 | Provisions 5 |
| 1.7 | 1.7 | 3.9 | 3.8 | 3.0 | 2.4 | 5.3 | 5.6 | 6.9 | 6.9 | *of which:* Provisions for pensions |
| 276.0 | 291.7 | 342.1 | 338.6 | 280.9 | 278.6 | 148.2 | 155.4 | 163.1 | 161.5 | *Memo item:* Sales |
| Percentage of gross revenue | | | | | | | | | | **Income statement ratios** |
| 100.0 | 100.0 | 99.9 | 100.0 | 100.0 | 100.0 | 99.7 | 99.7 | 99.8 | 100.1 | Sales |
| 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.3 | 0.3 | 0.2 | – 0.1 | Change in finished goods 6 |
| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | Gross revenue |
| 0.1 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 | 0.5 | 0.6 | Interest and similar income |
| 2.5 | 2.5 | 2.3 | 2.1 | 3.2 | 2.8 | 7.1 | 6.6 | 6.3 | 6.0 | Other income 7 |
| 102.6 | 102.6 | 102.5 | 102.3 | 103.5 | 103.1 | 107.5 | 107.0 | 106.8 | 106.6 | Total income |
| 76.1 | 76.9 | 82.1 | 82.3 | 67.9 | 68.0 | 47.0 | 49.3 | 34.9 | 36.2 | Cost of materials |
| 10.7 | 10.1 | 6.9 | 6.5 | 12.9 | 12.6 | 22.2 | 21.2 | 34.5 | 33.9 | Personnel expenses |
| 1.5 | 1.5 | 1.0 | 1.0 | 1.6 | 1.4 | 6.1 | 5.4 | 3.8 | 3.6 | Depreciation |
| 1.0 | 1.0 | 0.5 | 0.5 | 0.9 | 0.9 | 1.5 | 1.4 | 1.0 | 1.1 | Interest and similar expenses |
| 0.1 | 0.1 | 1.7 | 1.4 | 0.1 | 0.1 | 0.3 | 0.3 | 0.1 | 0.1 | Operating taxes |
| 0.0 | 0.0 | 1.5 | 1.3 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | *of which:* Excise duties |
| 10.9 | 10.4 | 7.8 | 7.8 | 16.0 | 16.0 | 26.3 | 25.7 | 23.2 | 22.3 | Other expenses 8 |
| 100.3 | 100.1 | 100.0 | 99.4 | 99.4 | 98.9 | 103.4 | 103.4 | 97.4 | 97.2 | Total expenses before taxes on income |
| Percentage of sales | | | | | | | | | | |
| 2.3 | 2.5 | 2.5 | 2.9 | 4.1 | 4.1 | 4.2 | 3.7 | 9.5 | 9.4 | Annual result before taxes on income |
| 0.4 | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 | 0.8 | 0.8 | 1.6 | 1.5 | Taxes on income 9 |
| 1.9 | 2.1 | 1.9 | 2.3 | 3.5 | 3.5 | 3.4 | 2.9 | 7.9 | 8.0 | Annual result |
| 3.6 | 3.7 | 2.9 | 3.6 | 5.2 | 4.7 | 10.5 | 9.0 | 12.6 | 12.2 | Cash flow 10 |
| | | | | | | | | | | **Other ratios** |
| 13.2 | 11.3 | 7.1 | 7.0 | 11.2 | 11.2 | 1.3 | 1.4 | 6.7 | 6.2 | Inventories |
| 10.3 | 10.0 | 12.4 | 12.9 | 10.3 | 9.9 | 18.3 | 18.2 | 22.8 | 23.9 | Short-term receivables |
| Percentage of tangible fixed assets 11 | | | | | | | | | | |
| 45.0 | 48.7 | 138.9 | 155.4 | 83.5 | 90.0 | 38.1 | 42.3 | 83.6 | 89.8 | Equity (adjusted) |
| 119.4 | 120.0 | 227.0 | 248.1 | 191.0 | 194.8 | 101.5 | 110.1 | 167.8 | 174.9 | Long-term equity and liabilities 12 |
| Percentage of fixed assets 13 | | | | | | | | | | |
| 110.0 | 110.0 | 155.2 | 160.9 | 138.0 | 129.4 | 82.9 | 88.8 | 117.7 | 118.8 | Long-term equity and liabilities 12 |
| Percentage of short-term liabilities | | | | | | | | | | |
| 55.6 | 60.3 | 94.1 | 97.0 | 73.9 | 70.5 | 93.8 | 104.0 | 121.2 | 124.5 | Cash resources 14 and short-term receivables |
| 115.7 | 116.7 | 139.0 | 141.8 | 136.2 | 130.8 | 98.8 | 110.1 | 146.2 | 148.0 | Cash resources 14, short-term receivables and inventories |
| Percentage of liabilities and provisions 15 less cash | | | | | | | | | | |
| 12.0 | 13.6 | 14.6 | 17.9 | 19.9 | 18.3 | 21.0 | 19.2 | 31.5 | 30.2 | Cash flow 10 |
| Percentage of balance sheet total (adjusted) | | | | | | | | | | |
| 8.1 | 9.0 | 8.3 | 9.4 | 12.2 | 12.2 | 7.3 | 6.7 | 14.6 | 14.6 | Annual result and interest and similar expenses |

(subsidiary). — **9** In the case of partnerships and sole proprietorships, trade earnings tax only. — **10** Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — **11** Including intangible fixed assets. — **12** Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — **13** Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — **14** Cash and short-term securities. — **15** Liabilities, provisions, deferred income and half of the special tax-allowable reserve.