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Financial Statements of Bayer Beteiligungsverwaltung Goslar GmbH 2010

Statement of Financial Position for Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen as of December 31, 2010

	Dec. 31, 2009	Dec. 31, 2010
	€	€
ASSETS		
Noncurrent assets		
Property, plant and equipment	5,468	4,654
Financial assets	6,832,427	7,166,896
	6,837,895	7,171,550
Current assets		
Receivables and other assets		
Receivables from affiliated companies	25,461,414	296,017,799
Other assets	1,568,320	782,897
	27,029,734	296,800,696
Bank balances	470,000,000	200,000,000
	497,029,734	496,800,696
Deferred charges	0	2,223
	503,867,629	503,974,469
EQUITY AND LIABILITIES		
Equity		
Capital stock	42,000,000	42,000,000
Capital reserves	102,378,201	102,378,201
Retained earnings	55,317,600	55,317,600
Profit carried forward	294,642,902	301,721,596
Net income	7,078,694	1,575,102
	501,417,397	502,992,499
Provisions		
Provisions for taxes	2,090,852	622,724
Other provisions	359,000	359,000
	2,449,852	981,724
Other liabilities		
Payables to affiliated companies	87	0
Miscellaneous liabilities	293	246
	380	246
	503,867,629	503,974,469

Income Statement for Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen for the period from January 1, 2010 to December 31, 2010

	2009	2010
	€	€
Sales	3,780	0
Cost of goods sold	(3,789)	0
Gross profit	(9)	0
General administration expenses	(76,484)	(159,558)
Other operating income	7,460	24,434
Other operating expenses	(620)	(692)
Operating result	(69,653)	(135,816)
Write-downs of financial assets and marketable securities	(559,002)	(496,411)
	(559,002)	(496,411)
Other interest and similar income	6,661,946	3,660,671
Interest and similar expenses	(34,637)	(145,912)
	6,627,309	3,514,759
Miscellaneous financial income	196,109	0
Miscellaneous financial expenses	(255,238)	(100,000)
	(59,129)	(100,000)
Financial result	6,009,178	2,918,348
Income before income taxes	5,939,525	2,782,532
Income taxes	1,139,169	(1,207,430)
Net income	7,078,694	1,575,102

Assets of Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen as of December 31, 2010

	Gross carrying amounts				Net carrying amounts		
	As of: Jan. 1, 2010	Additions	Transfers/ reclassifications	Retirements	As of: Dec. 31, 2010	Accumulated depreciation and write-downs as of: Dec. 31, 2010	as of Dec. 31, 2010
	€	€	€	€	€	€	€
I. Property, plant and equipment							
Furniture, fixtures and other assets	7,269	721	0	0	7,990	3,336	4,654
	7,269	721	0	0	7,990	3,336	4,654
II. Financial assets							
Other loans	16,973,246	830,880	0	0	17,804,126	10,637,230	7,166,896
	16,973,246	830,880	0	0	17,804,126	10,637,230	7,166,896
Total assets	16,980,515	831,601	0	0	17,812,116	10,640,566	7,171,550

Depreciation and write-downs of the assets of Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen as of December 31, 2010

	As of: Jan. 1, 2010	Additions	Exceptional additions	Transfers/ reclassifications	Retirements	Accumulated depreciation and write-downs as of: Dec. 31, 2010
	€	€	€	€	€	€
I. Property, plant and equipment						
Furniture, fixtures and other assets	1,801	1,535	0	0	0	3,336
	1,801	1,535	0	0	0	3,336
II. Financial assets						
Other loans	10,140,819	496,411	0	0	0	10,637,230
	10,140,819	496,411	0	0	0	10,637,230
Total depreciation and write-downs	10,142,620	497,946	0	0	0	10,640,566

Notes to the Financial Statements of Bayer Beteiligungsverwaltung Goslar GmbH, Leverkusen for the fiscal year from January 1 to December 31, 2010

ACCOUNTING POLICIES

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

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

RECOGNITION AND VALUATION PRINCIPLES

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

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

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

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

Liabilities are recognized at the settlement amount.

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

NOTES TO THE STATEMENTS OF FINANCIAL POSITION AND INCOME STATEMENT

The **financial assets** contain a loan with an original face value of EUR 14,400,000.00, which is carried at the discounted value of EUR 7,166,896.00 due to the low interest yield. This amount contains capitalized interest from the start of the loan amounting to EUR 3,404,125.00.

Receivables from affiliated companies relate exclusively to receivables from the parent company.

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

Other interest and similar income contains EUR 819,478.64 (2009: EUR 5,028,911.97) from affiliated companies.

Interest and similar expenses comprises interest payable to affiliated companies totaling EUR 11,036.01 (2009: EUR 3,142.22).

The **miscellaneous financial income** comprises EUR 100,000.00 for post-transaction ancillary selling costs relating to the divestment of the H. C. Starck Group (Steel Project).

CORPORATE OFFICERS

Management Board:

Andreas Krieger, tax consultant at Bayer AG

Steffen Schröder, Legal Department of Bayer Schering Pharma AG

Schönefeld, June 14, 2011

Bayer Beteiligungsverwaltung Goslar GmbH

Signed Andreas Krieger

Signed Steffen Schröder