

Definition of Financial Ratios (1/2)



Debt coverage ratio:

Example 2007:

$$= \frac{\text{Funds from operations}}{\text{Net debt incl. pension provisions}^{1)}$$

$$\frac{1,269}{1,709} = 74.3\%$$

¹⁾ Hybrid bond included on 50% equity basis

Funds from operations =	1,269 =
Net earnings	941
+ Amortization/depreciation/write-ups of non-current assets (excl. financial assets)	+ 337
+ Amortization of goodwill	+ 0
+ Interest element of pension provisions	+ (-9)

Net debt incl. pension provisions =	1,709 =
Borrowings (non-current & current)	3,142
- Hybrid bond (50%)	- 650
- Liquid funds/marketable securities	- 1,440
+ Pension provisions	+ 657

Definition of Financial Ratios (2/2)



Interest coverage ratio:

Example 2007:

$$= \frac{\text{EBITDA}}{\text{Net interest expense}}$$

$$\frac{1,681}{178} = 9.4$$

Equity ratio:

Example 2007:

$$= \frac{\text{Equity incl. minority interests}}{\text{Total assets}}$$

$$\frac{5,706}{13,048} = 43.7\%$$

Gearing:

Example 2007:

$$= \frac{\text{Net debt incl. pension provisions } ^2)}{\text{Equity incl. minority interests}}$$

$$\frac{2,359}{5,706} = 0.41$$

²⁾ Hybrid bond 100% as financial debt