

Consolidate financial statements

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1. Consolidated income statement

No. 086

in € millions	Note	2016	2015	Change in %
Revenue	3.1	13,338	13,179	1.2
Cost of sales		-9,552	-9,448	1.1
Gross profit		3,786	3,731	1.5
Research and development expenses		-751	-673	11.6
Selling expenses		-915	-920	-0.5
Administrative expenses		-428	-407	5.2
Other income	3.2	41	57	-28.1
Other expenses	3.3	-177	-386	-54.1
Earnings before financial result and income taxes (EBIT)		1,556	1,402	11.0
Financial income	3.5	220	327	-32.7
Financial expenses	3.5	-561	-874	-35.8
Financial result	3.5	-341	-547	-37.7
Earnings before income taxes		1,215	855	42.1
Income taxes	3.6	-343	-250	37.2
Net income		872	605	44.1
Attributable to shareholders of the parent company		859	591	45.3
Attributable to non-controlling interests		13	14	-7.1
Earnings per common share (basic/diluted, in €)	3.7	1.29	0.88	46.6
Earnings per common non-voting share (basic/diluted, in €)	3.7	1.30	1.28	1.6

2. Consolidated statement of comprehensive income

No. 087

in € millions	2016			2015		
	before taxes	taxes	after taxes	before taxes	taxes	after taxes
Net income	1,215	-343	872	855	-250	605
Foreign currency translation differences for foreign operations	59	0	59	103	0	103
Net change from hedges of net investments in foreign operations	-10	3	-7	-96	27	-69
Effective portion of changes in fair value of cash flow hedges ¹⁾	-9	3	-6	62	-16	46
Net change in fair value of available-for-sale financial assets	0	0	0	-1	0	-1
Total other comprehensive income (loss) that may be reclassified subsequently to profit or loss	40	6	46	68	11	79
Remeasurement of net defined benefit liability	-223	63	-160	87	-24	63
Total other comprehensive income (loss) that will not be reclassified to profit or loss	-223	63	-160	87	-24	63
Total other comprehensive income (loss)	-183	69	-114	155	-13	142
Total comprehensive income (loss) for the period	1,032	-274	758	1,010	-263	747
Total comprehensive income (loss) attributable to shareholders of the parent company	1,012	-267	745	985	-256	729
Total comprehensive income (loss) attributable to non-controlling interests	20	-7	13	25	-7	18

¹⁾ Including income of EUR 54 m (prior year: income of EUR 12 m) reclassified to profit and loss.

 See Notes 4.11 and 4.14 to the consolidated financial statements for further detail.

3. Consolidated statement of financial position

No. 088

in € millions	Note	12/31/2016	12/31/2015	Change in %
ASSETS				
Intangible assets	4.1	632	589	7.3
Property, plant and equipment	4.2	4,507	4,180	7.8
Other financial assets	4.6	217	2,123	-89.8
Other assets	4.6	51	57	-10.5
Income tax receivables	4.3	0	4	-100
Deferred tax assets	4.3	572	485	17.9
Total non-current assets		5,979	7,438	-19.6
Inventories	4.4	1,905	1,812	5.1
Trade receivables	4.5	2,218	2,023	9.6
Other financial assets	4.6	55	123	-55.3
Other assets	4.6	218	211	3.3
Income tax receivables	4.3	93	74	25.7
Cash and cash equivalents	4.7	1,071	799	34.0
Assets held for sale	4.8	25	0	-
Total current assets		5,585	5,042	10.8
Total assets		11,564	12,480	-7.3
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital		666	666	0.0
Capital reserves		2,348	2,348	0.0
Other reserves		-404	-935	-56.8
Accumulated other comprehensive income (loss)		-713	-599	19.0
Equity attributable to shareholders of the parent company		1,897	1,480	28.2
Non-controlling interests		100	88	13.6
Total shareholders' equity	4.9	1,997	1,568	27.4
Provisions for pensions and similar obligations	4.11	2,182	1,942	12.4
Provisions	4.12	96	182	-47.3
Financial debt	4.10	3,704	5,685	-34.8
Income tax payables	4.3	163	210	-22.4
Other financial liabilities	4.13	86	12	>100
Other liabilities	4.13	6	6	0.0
Deferred tax liabilities	4.3	124	107	15.9
Total non-current liabilities		6,361	8,144	-21.9
Provisions	4.12	354	431	-17.9
Financial debt	4.10	3	3	0.0
Trade payables	4.14	1,625	1,405	15.7
Income tax payables	4.3	176	112	57.1
Other financial liabilities	4.13	696	512	35.9
Other liabilities	4.13	344	305	12.8
Liabilities held for sale	4.8	8	0	-
Total current liabilities		3,206	2,768	15.8
Total shareholders' equity and liabilities		11,564	12,480	-7.3

4. Consolidated statement of cash flow

			No. 089
in € millions	2016	2015	Change in %
Operating activities			
EBIT	1,556	1,402	11.0
Interest paid	-279	-508	-45.1
Interest received	98	43	> 100
Income taxes paid	-327	-358	-8.7
Depreciation, amortization and impairments	737	694	6.2
(Gains) losses on disposal of assets	4	-18	-
Changes in:			
• Inventories	-88	-75	17.3
• Trade receivables	-205	-79	> 100
• Trade payables	271	38	> 100
• Provisions for pensions and similar obligations	-29	-9	> 100
• Other assets, liabilities and provisions	138	242	-43.0
Cash flows from operating activities¹⁾	1,876	1,372	36.7
Investing activities			
Proceeds from disposals of property, plant and equipment	4	26	-84.6
Capital expenditures on intangible assets	-29	-48	-39.6
Capital expenditures on property, plant and equipment	-1,117	-977	14.3
Other investing activities ²⁾	1	-3	-
Cash used in investing activities	-1,141	-1,002	13.9
Financing activities			
Dividends paid to shareholders and non-controlling interests	-329	-251	31.1
Proceeds from issuing shares	0	810	
Receipts from loans	1,000	207	> 100
Repayments of loans	-2,910	-1,175	> 100
Other financing activities	1,773	197	> 100
Cash used in financing activities	-466	-212	> 100
Net increase (decrease) in cash and cash equivalents	269	158	70.3
Effects of foreign exchange rate changes on cash and cash equivalents	3	5	-40.0
Cash and cash equivalents as at beginning of period	799	636	25.6
Cash and cash equivalents as at end of period	1,071	799	34.0

¹⁾ Excluding interest payments, cash flows from operating activities for the period from January 01 to December 31, 2016 amount to EUR 2,155 m (prior year: EUR 1,880 m).

²⁾ Including EUR 2 m of cash and cash equivalents acquired in the purchase of Compact Dynamics GmbH.

5. Consolidated statement of changes in equity

No. 090

	Share capital	Capital Reserves	Other Reserves	Accumulated other comprehensive income (loss)				Subtotal	Non-controlling interests	Total
				Translation reserve	Hedging reserve	Fair value reserve	Defined benefit plan remeasurement reserve			
in € millions										
Balance as at January 01, 2015	600	1,600	-1,276	-109	-75	1	-554	187	71	258
Net income			591					591	14	605
Other comprehensive income (loss)				30	46	-1	63	138	4	142
Total comprehensive income (loss) for the period	0	0	591	30	46	-1	63	729	18	747
Issuance of new shares	66	748						814		814
Dividends			-250					-250	-1	-251
Total amount of transactions with shareholders	66	748	-250					564	-1	563
Balance as at December 31, 2015	666	2,348	-935	-79	-29	0	-491	1,480	88	1,568
Balance as at January 01, 2016	666	2,348	-935	-79	-29	0	-491	1,480	88	1,568
Net income			859					859	13	872
Other comprehensive income (loss)				52	-6	0	-160	-114	0	-114
Total comprehensive income (loss) for the period	0	0	859	52	-6	0	-160	745	13	758
Dividends			-328					-328	-1	-329
Total amount of transactions with shareholders	0	0	-328					-328	-1	-329
Balance as at December 31, 2016	666	2,348	-404	-27	-35	0	-651	1,897	100	1,997

 See Note 4.9 to the consolidated financial statements for further detail.

6. Consolidated segment information

(Part of the notes to the consolidated financial statements)

No. 091

	Automotive		Industrial		Total	
	01/01-12/31		01/01-12/31		01/01-12/31	
in € millions	2016	2015	2016	2015	2016	2015
Revenue	10,333	9,977	3,005	3,202	13,338	13,179
Cost of sales	-7,383	-7,206	-2,169	-2,242	-9,552	-9,448
Gross profit	2,950	2,771	836	960	3,786	3,731
EBIT	1,383	1,135	173	267	1,556	1,402
• in % of revenue	13.4	11.4	5.8	8.3	11.7	10.6
Depreciation, amortization and impairments	-544	-498	-193	-196	-737	-694
Inventories ¹⁾	1,228	1,164	677	648	1,905	1,812
Trade receivables ¹⁾	1,730	1,556	488	467	2,218	2,023
Property, plant and equipment ¹⁾	3,430	3,115	1,077	1,065	4,507	4,180
Additions to intangible assets and property, plant and equipment	902	880	213	238	1,115	1,118

Prior year information presented based on 2016 segment structure.

¹⁾ Amounts as at December 31.

 See Note 5.4 to the consolidated financial statements for further detail.