

Consolidated financial statements

Consolidated income statements for the years 2002 and 2001

in €m	Note	2002	2001
Revenues	5, 26	29,901	30,798
Cost of sales	6	(24,465)	(25,440)
Gross margin		5,436	5,358
Selling, administrative and other expenses	6	(2,492)	(2,561)
Research and development expenses		(2,096)	(1,841)
Other income	7	248	3,024
Amortisation of goodwill and related impairment losses	10	(936)	(1,466)
Income before financial result, income taxes and minority interests		160	2,514
Income (loss) from investments		87	(342)
thereof income from associates		108	22
Interest income (expense), net		(81)	63
Other financial result		21	(234)
Financial result	8	27	(513)
Profit (loss) before income taxes and minority interests		187	2,001
Income taxes	9	(453)	(646)
Minority interests		(33)	17
Net income (loss)		(299)	1,372
Earnings per share			
Basic and diluted	31	€(0.37)	€1.70
Dividends per share (2002: proposal)	17	€0.30	€0.50

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheets as at 31st December 2002 and 2001

in €m	Note	2002	2001
Assets			
Intangible assets	10	9,789	10,588
Property, plant and equipment	11	10,509	10,050
Investments in associates	12	1,333	1,252
Other investments and long-term financial assets	12	3,542	3,474
Fixed assets		25,173	25,364
Inventories	13	2,700	2,469
Trade receivables	14	4,114	5,183
Other receivables and other assets	15	5,256	2,633
Securities	16	4,497	5,341
Cash and cash equivalents		1,703	2,692
Non-fixed assets		18,270	18,318
Deferred taxes	9	2,992	4,288
Prepaid expenses		965	745
Total assets		47,400	48,715
Liabilities and shareholders' equity			
Capital stock		811	809
Reserves		9,658	10,346
Accumulated other comprehensive income		2,452	(1,278)
Purchase of treasury shares		(156)	0
Shareholders' equity	17	12,765	9,877
Minority interests		1,361	559
Provisions	18	8,248	11,918
Financial liabilities	19	4,976	6,500
Trade liabilities	20	5,070	5,466
Other liabilities	20	10,246	10,631
Liabilities		20,292	22,597
Deferred taxes	9	2,014	806
Deferred income	21	2,720	2,958
Total liabilities and equity		47,400	48,715

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Consolidated statements of cash flows for the years 2002 and 2001

in €m	2002	2001
Net income (loss)	(299)	1,372
Income applicable to minority interests	33	(17)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and Amortisation of fixed assets	2,768	3,560
Valuation adjustments	177	493
Dilution gain Airbus/MBDA	0	(2,817)
Change in deferred taxes	255	109
Results on disposal of fixed assets/businesses and result of associates (equity method)	(227)	(93)
Change in provisions	(845)	47
Change in other operating assets and liabilities:	804	2
– Inventories, net	274	(655)
– Trade receivables	895	(894)
– Trade liabilities	(139)	766
– Other assets and liabilities	(226)	785
Cash provided by operating activities	2,666	2,656
Investments:		
– Purchases of fixed assets and increase in equipment of leased assets	(2,314)	(2,196)
– Payments for investments in financial assets and acquisitions of subsidiaries	(1,134)	(1,096)
– Proceeds from disposal of fixed assets and decrease in equipment of leased assets	240	402
– Proceeds from disposal of financial assets and subsidiaries	849	850
– Change in finance lease receivables	(599)	138
Change in securities	(264)	(390)
Cash from changes in consolidation	5	20
Cash used for investing activities	(3,217)	(2,272)
Change in financial liabilities	(774)	(465)
Cash contribution by minority interests	0	253
Dividends paid	(403)	(404)
Repayments/dividends to minorities	(127)	(52)
Capital increase	16	21
Purchase of treasury shares	(156)	0
Others	(3)	(30)
Cash used for (provided by) financing activities	(1,447)	(677)
Effect of foreign exchange rate changes on cash and cash equivalents	(82)	14
Net increase (decrease) in cash and cash equivalents	(2,080)	(279)
Cash and cash equivalents		
Cash at beginning of period	7,481	7,760
Cash at end of period	5,401	7,481
Additional securities medium-term	799	552
Cash and securities as stated in Balance Sheet	6,200	8,033
The following represents supplemental information with respect to cash flows from operating activities:		
Interest paid	(407)	(335)
Income taxes paid	(318)	(520)

Interest received for 2002 amounts to €403 million (2001: €506 million), dividends received amount to €19 million (2001: €36 million).

The accompanying notes are an integral part of these consolidated financial statements.

For details, see Note 22, "Consolidated cash-flow statement"

Consolidated statements of changes in shareholders' equity for the years 2002 and 2001

in €m	Note	Capital stock	Reserves	Accumulated other comprehensive income	Treasury shares	Total
Balance at 31st December 2000		807	9,359	84		10,250
First application of IAS 39				(337)		(337)
Balance at 1st January 2001, adjusted		807	9,359	(253)		9,913
Capital increase ESOP		2	19			21
Net profit			1,372			1,372
Dividend			(404)			(404)
Other comprehensive income				(1,025)		(1,025)
thereof changes in fair values of securities				(10)		
thereof changes in fair values of hedging instruments				(878)		
thereof currency translation adjustment				(137)		
Balance at 31st December 2001/1st January 2002		809	10,346	(1,278)		9,877
Capital increase ESOP	17, 27	2	14			16
Net loss	26		(299)			(299)
Dividend	17		(403)			(403)
Purchase of treasury shares	17				(156)	(156)
Other comprehensive income				3,730		3,730
thereof changes in fair values of securities				(10)		
thereof changes in fair values of hedging instruments				2,713		
thereof currency translation adjustment				1,027		
Balance at 31st December 2002		811	9,658	2,452	(156)	12,765

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