

# Definition of Financial Ratios (1/2)



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## Debt coverage ratio:

Example 2008 (numbers in mill. euros)

$$= \frac{\text{Funds from operations}}{\text{Net debt incl. pension provisions}^{1)}} = \frac{1,792}{4,064} = 44.1\%$$

<sup>1)</sup> Hybrid bond included on 50% equity basis

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<b>Funds from operations =</b>	<b>1,792 =</b>
Net earnings	1,233
+ Amortization/depreciation/write-ups of non-current assets (excl. financial assets)	+ 546
+ Amortization of goodwill	+ 0
+ Interest element of pension provisions	+ 13

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<b>Net debt incl. pension provisions =</b>	<b>4,064 =</b>
Borrowings (non-current & current)	4,219
- Hybrid bond (50% of nominal value of 1,300 mill. euros)	- 650
- Liquid funds/marketable securities	- 338
+ Pension provisions	+ 833

# Definition of Financial Ratios (2/2)



## Interest coverage ratio:

Example 2008 (numbers in mill. euros)

$$= \frac{\text{EBITDA}}{\text{Net interest expense}} = \frac{1,325}{275} = 4.8$$

## Equity ratio:

Example 2008 (numbers in mill. euros)

$$= \frac{\text{Equity incl. minority interests}}{\text{Total assets}} = \frac{6,535}{16,074} = 40.6\%$$

## Gearing:

Example 2008 (numbers in mill. euros)

$$= \frac{\text{Net debt incl. pension provisions } ^2)}{\text{Equity incl. minority interests}} = \frac{4,714}{6,535} = 0.72$$

<sup>2)</sup> Hybrid bond 100% as financial debt