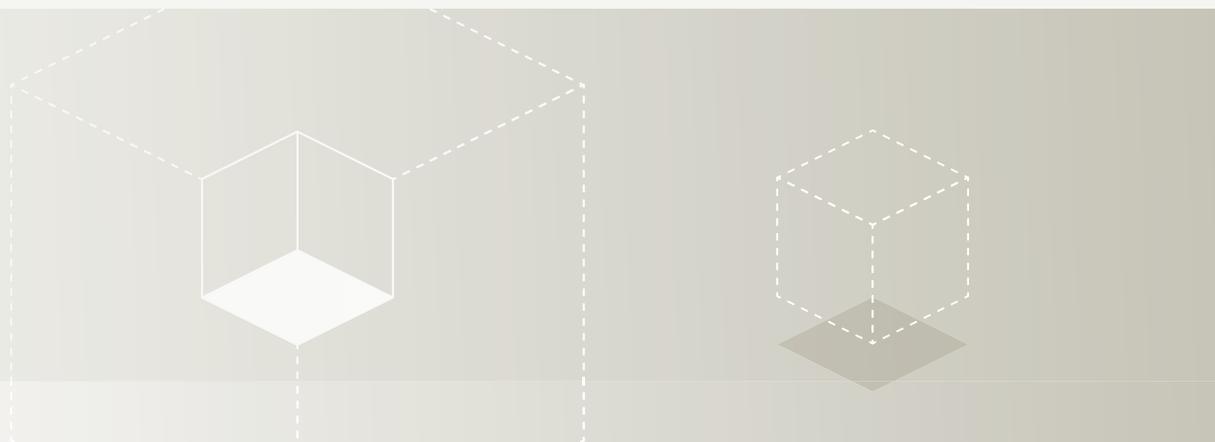


ADDITION

2012 Annual Accounts of the Max Planck Society for the Advancement of Science



GENERAL

As an annex to the 2012 Annual Report, the audited 2012 Annual Accounts¹ are presented to the General Meeting of the members of the Max-Planck-Gesellschaft zur Förderung der Wissenschaften e. V. (Max Planck Society for the Advancement of Science, Max Planck Society) for examination and approval at its meeting on June 6, 2013, subject to their statutory treatment by the Executive Committee at its meeting on June 5, 2013 and by the Senate at its meeting on June 6, 2013.

The 2012 Annual Accounts consist of a statement of income and expenditure as well as an overview of assets:

- of the General Budget, and
- of the Max Planck Institute for Plasma Physics (Budget B).

The statement of income and expenditure for the General Budget aggregates the Max Planck institutes (MPIs), research units and other legally dependent institutions that are jointly financed by the federal government and the federal states. These are supplemented in the assets overview by managed or active units, such as operations according to § 26 of the Federal Budget Ordinance (BHO).

The legally independent Max Planck institutes (Max-Planck-Institut für Eisenforschung GmbH (Max Planck Institute for Iron Research) and Max-Planck-Institut für Kohlenforschung (rechtsfähige Stiftung) (Max Planck Institute of Coal Research (legal foundation)) present a separate set of annual financial statements that are not included in the Annual Accounts of the Max Planck Society.²

The structure of the income and expenditure statement is in line with the budget plan of the Max Planck Society.³

The assets overview was based on German commercial law principles, and prepared in accordance with administration and accounting regulations applying to the Society. The breakdown takes into account the particular requirements of a registered association.

¹ In line with the audit mandate issued to it by the 2012 General Meeting of the Members, the Audit Department of the Administrative Headquarters of the Max Planck Society audited the 2012 Annual Accounts, and awarded them an unqualified audit opinion. The auditing company *Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft*, Munich, audited the annual financial statements of the Max Planck Institute for Plasma Physics (Budget B), and auditing company *PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft*, Munich, audited the annual financial statements of the Private Assets of the Max Planck Society - in line with the audit mandates issued by the 2012 General Meeting of members. Both sets of annual financial statements were awarded unqualified audit opinions.

² The Max Planck Society, the Max Planck Institute for Iron Research, and the Max Planck Institute of Coal Research (legal foundation) comprise an association that submits joint applications for grants. The grants are awarded to the corporations represented in this association. With respect to invoicing, the companies present their own evidence of expenditure, which the Max Planck Society integrates into the overall evidence of expenditure for the grant providers (Budget A). They did not, however, form part of the Annual Accounts of the Max Planck Society for the Advancement of Science.

³ In order to adjust to the terminology utilised in the Max Planck Society's budget plan, the item „Additions to as yet uninvoiced subsidies“, which was used in previous years' annual financial statements, was amended to „Special financing expenses“, without thereby affecting the content of this item.

I. Notes to the statement of income and expenditure

The 2012 accounting year closed for the Max Planck Society with income and expenditure of €1,826.6 million (2011: €1,770.7 million), and an increase of €55.9 million (3.2%) compared with the previous year.

Thanks to the Research and Innovation Pact II that was concluded for the years 2011 to 2015, which includes an annual 5% increase in grants for non-university research facilities, a significant increase occurred again in income and public-sector subsidies from the proportional financing which were affected by the Pact in this context (please refer to Table on page 124). Accordingly, the Max Planck Society was able, within the framework of research policy objectives, to flexibly structure and expand its basic research above and beyond the compensation of price and collectively bargained wage increases, and to invest in new areas.

The following overview presents the income and expenditure for the accounting year compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms for each item.

Income (EUR mill.)	2012		2011		Change	
Own income	107.6	(5.9 %)	97.3	(5.5 %)	10.3	(10.6 %)
Public-sector subsidies for institutional funding						
• Proportional financing	1,421.0	(77.8 %)	1,369.6	(77.4 %)	51.4	(3.8 %)
• Special financing	12.1	(0.7 %)	14.5	(0.8 %)	-2.4	(-16.6 %)
Project grant subsidies	285.9	(15.6 %)	289.3	(16.3 %)	-3.4	(-1.2 %)
AMOUNT INCOME	1,826.6	(100.0 %)	1,770.7	(100.0 %)	55.9	(3.2 %)

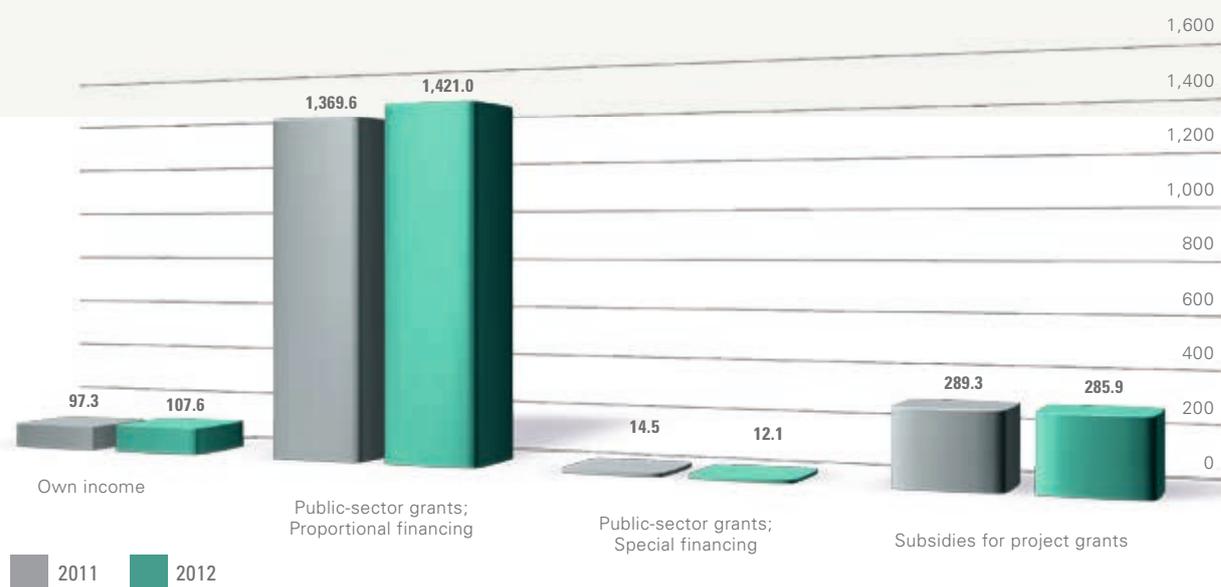
Expenditure (EUR mill.)	2012		2011		Change	
Personnel expenses	728.8	(39.9 %)	699.1	(39.5 %)	29.7	(4.2 %)
Expenditure on tangible items	516.1	(28.2 %)	540.7	(30.5 %)	-24.6	(-4.5 %)
Grants (excluding investments)	166.5	(9.1 %)	159.3	(9.0 %)	7.2	(4.5 %)
Expenditure on construction projects and other investments	366.6	(20.1 %)	335.5	(19.0 %)	31.1	(9.3 %)
AMOUNT EXPENDITURE	1,778.0	(97.3 %)	1,734.6	(98.0 %)	43.4	(2.5 %)
Special financing expenses	48.6	(2.7 %)	36.1	(2.0 %)	12.5	(34.6 %)
APPLICATION OF FUNDS	1,826.6	(100.0 %)	1,770.7	(100.0 %)	55.9	(3.2 %)

Income

The **income** of the Max Planck Society increased in 2012 by €55.9 million (3.2%) to €1,826.6 million.

As a basic research institute, the Max Planck Society is supported by public-sector subsidies from the federal government and federal states. The following diagram shows the significance of the Society's institutional funding compared to other financing and funding:

BREAKDOWN OF INCOME 2011 / 2012 (EUR mill.)



Own income increased by €10.3 million (10.6%) to €107.6 million. This item includes income from licenses and patents exploitation, income from scientific investigations and expert opinions, and other income.

The **subsidies for proportional financing** registered an increase of €51.4 million (3.8%) to €1,421.0 million. The following overview shows the way the subsidy is split between the General Budget and the Max Planck Institute for Plasma Physics:

Proportional financing (EUR mill.)	2012	2011	Change	
General Budget				
Current subsidies				
Granted subsidies (without MPI for Iron Research and MPI of Coal Research)	1,329.9	1,266.3	63.6	(5.0 %)
Implementations in the special society	-0.8	0.8	-1.6	(-0.1 %)
Amount current subsidies	1,329.1	1,267.1	62.0	(4.9 %)
Transferable funding from previous years	-10.1	1.6	-11.7	
MPI for Plasma Physics				
Current subsidies	102.9	100.6	2.3	(2.3 %)
Transferable funding from previous years	-0.9	0.3	-1.2	
TOTAL	1,421.0	1,369.6	51.4	(3.8 %)

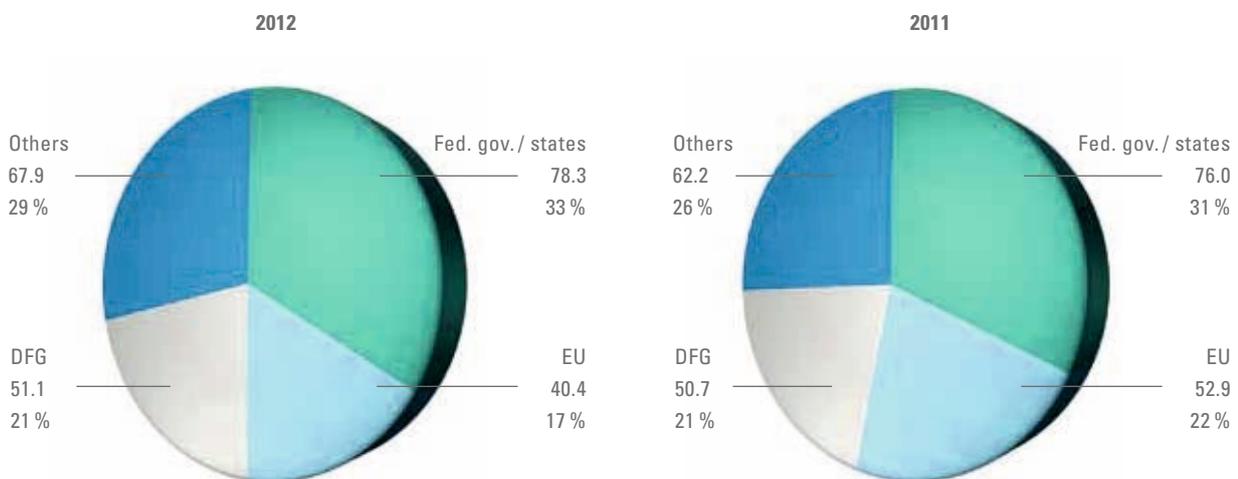
The approved subsidies of the General Budget report a 5.0% year-on-year increase in line with the continuation of the Research and Innovation Pact. Following implementations in the association that submits joint applications for grants (excluding subsidies for the legally independent Max Planck Institute for Iron Research and Max Planck Institute of Coal Research), the current subsidies of the General Budget increased by €62.0 million (4.9%) to reach €1,329.1 million.

The **subsidies for special financing** (please refer to Table on page 123) relates solely to the General Budget. Compared with the previous year, a total decline of €2.4 million occurred (-16.6%) due to the expiry of the economic programs, as well as due to Special Financing facilities received for other measures, which were down overall.

The **subsidies for project grants** (please refer to Table on page 123) amount to 15.6% of total income. At €285.9 million, they were €3.4 million (-1.2%) below the previous year's level.

The current subsidies for project grants of €237.7 million (previous year: €241.8 million) – excluding a residual transfer of €48.2 million (previous year: €47.5 million) – break down as follows according to grant providers:

BREAKDOWN OF SUBSIDY PROVIDERS (EUR mill.)



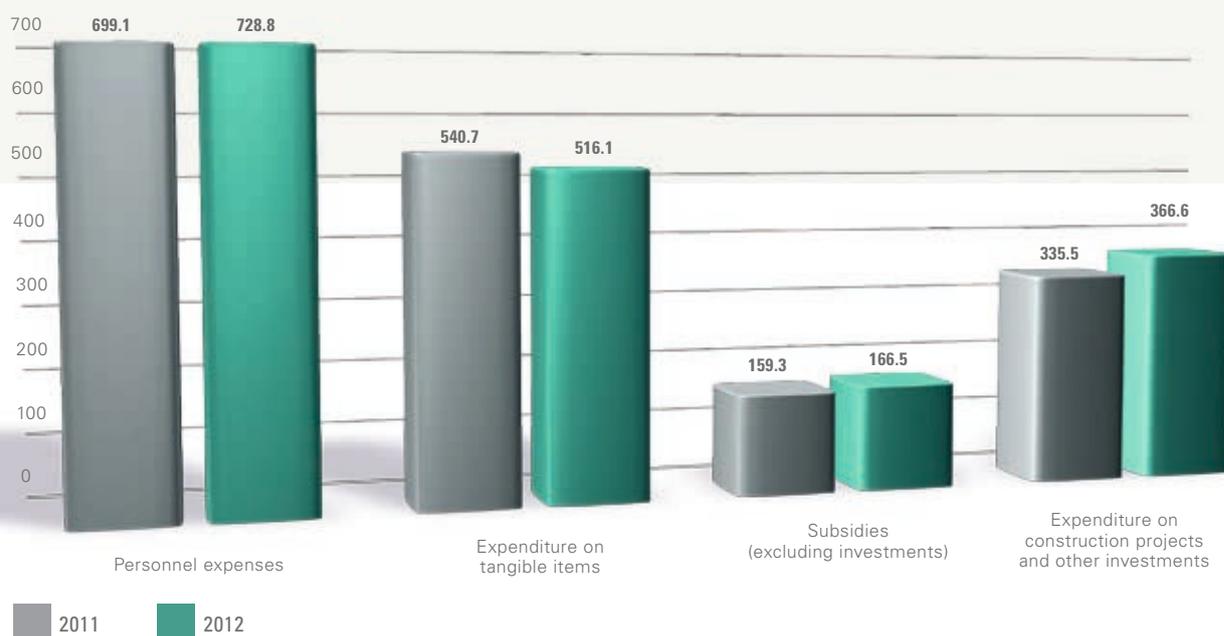
Within the General Budget, current project grant subsidies increased year-on-year from €215.6 million to €227.1 million, while a decline was reported in Budget B from €26.2 million in the previous year to €10.6 million, essentially in the EU funding area.

Expenditure

Expenditures in 2012 increased by €43.4 million (2.5%) to €1,778.0 million compared with the previous year.

The following diagram presents the expenditures in graphical form:

BREAKDOWN OF EXPENDITURE 2011 / 2012 (EUR mill.)



The individual items as well as their changes compared with the previous year (please refer to Table on page 123) are explained in greater detail below.

Personnel expenses rose by €29.7 million (4.2%) to total €728.8 million. The increase in wages based on the Collective Wage Agreement for Government Service Workers (TVöD) and in earnings based on the German Federal Salary Law as of March 1, 2012 affected this rise. Detailed information can be found in the Annual Report (chapter: „Central matters, Staff“).

Expenditure on tangible items decreased by €24.6 million (-4.5%) to €516.1 million. The fall in the General Budget is especially attributable to temporary savings, predominantly in the area relating to the maintenance of land and buildings (building maintenance).

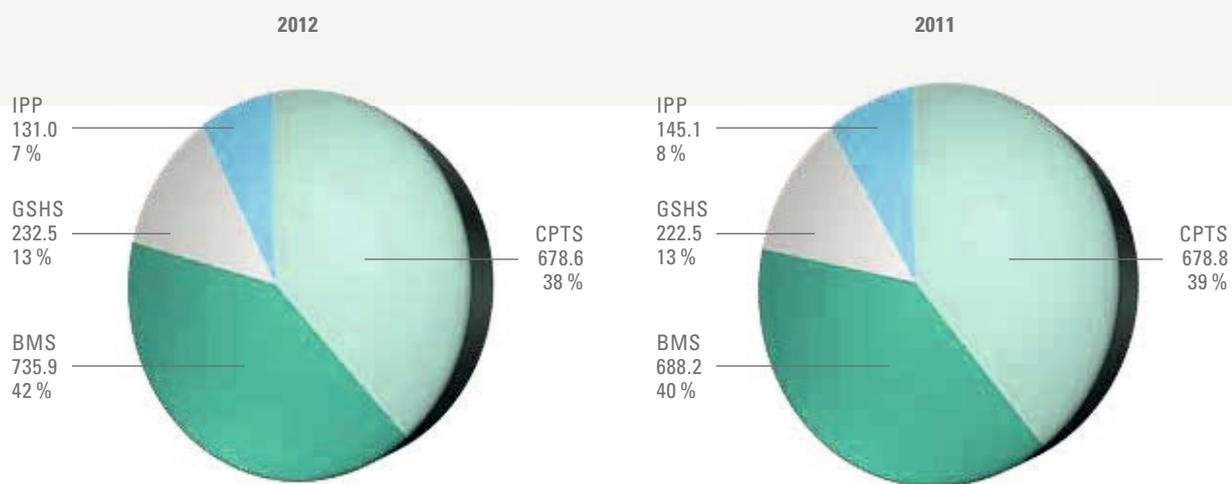
Subsidies (excluding investments) rose by €7.2 million (4.5%) to €166.5 million. This item mainly contains expenses of €124.1 million for the support of junior scientists, which increased by €2.9 million compared with the previous year.

Expenditure on construction projects and other investments increased by €31.1 million (9.3%) to €366.6 million. The rise in the General Budget is mainly caused by the €23.6 million increase in expenditure for construction projects to €184.5 million. The expenditure for the initial equipping of buildings and facilities increased by €6.6 million to €8.6 million. This item also contains €173.5 million of expenditure for other investments including appointment funds.

In 2012, among other items, significant amounts of expenditure for construction projects were invested in new institute buildings for the MPI for Biology of Ageing in Cologne (€33.2 million), for the MPI for Brain Research in Frankfurt am Main (€23.8 million) and for the MPI for Solar System Research in Göttingen (€14.5 million).

The following presents a breakdown of expenditures according to research focus, the so-called sections of the Max Planck Society:

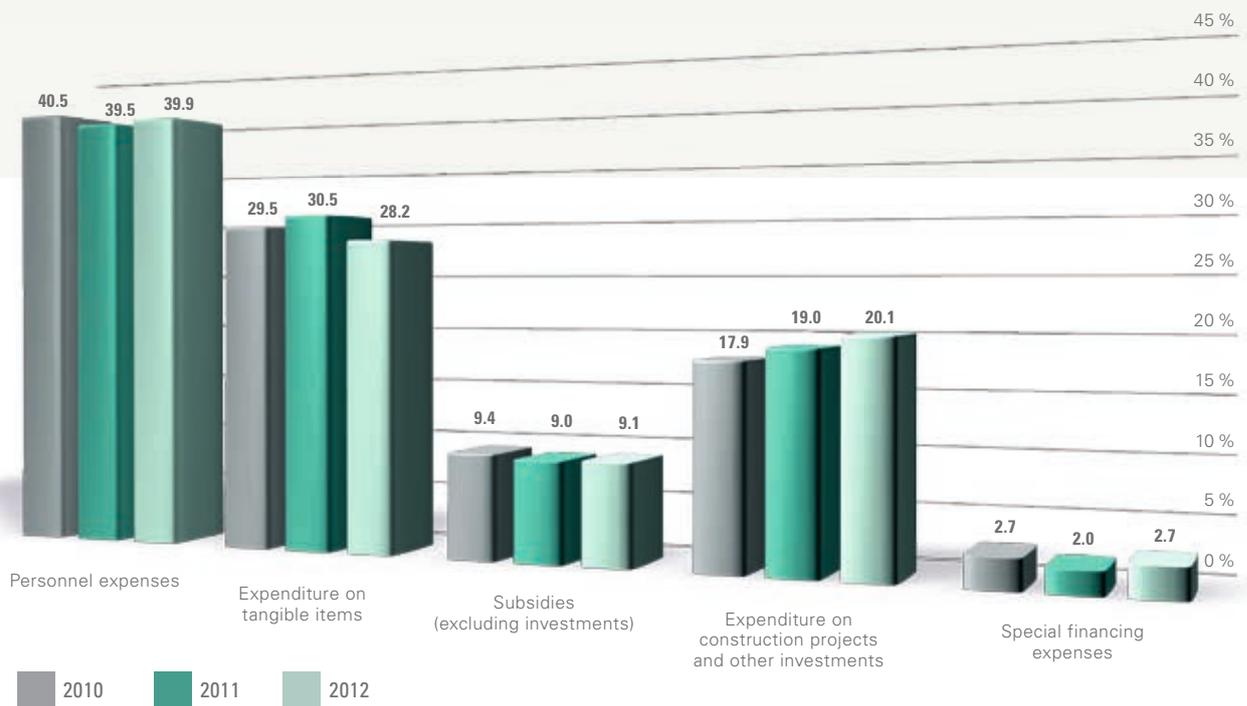
EXPENDITURE BREAKDOWN BY SECTION (EUR mill.)



- BMS: Biology & Medicine Section
- CPTS: Chemistry, Physics & Technology Section
- GSHS: Human Sciences Section
- IPP: MPI for Plasma Physics (Budget B)

The changes relating to available resources can also be seen in summary form in the modified structure of expenditure, and the special financing expenses:

APPLICATION OF FUNDS 2010 – 2012 (as % of total expenditure)



The structure of expenditure relating to the funding categories is relatively constant in overall terms on a three-year comparison.

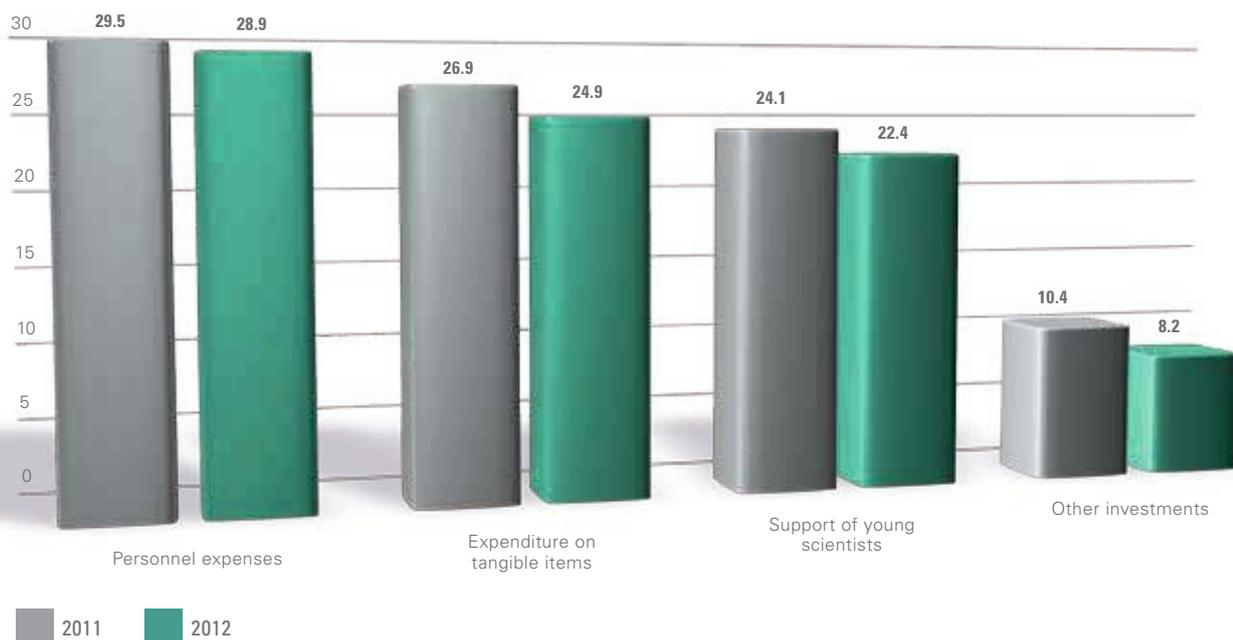
Due to a higher level of investment activity, expenditure trends in 2012 reported a year-on-year increase in the share of expenses for construction projects and other investments to 20.1%. Accordingly, the percentage share of expenditures on tangible items reduced to 28.2% of total spending. The percentage share spent on personnel expenses increased marginally to 39.9% as well as the share of subsidies (excluding investments) to 9.1% of total spending. Special financing expenses rose to 2.7%.

One of the focal points of the budget execution is the continuation of all projects that have been started as part of the Strategic Innovation Fund, which was set up in line with the recommendation of the international system evaluation commission in 2002. The financial funding from the Strategic Innovation Fund are targeted at realizing particularly original and innovative institute projects, as well as at initiating fundamentally new research activities that include science policy and research strategy aspects.

Projects are supported, amongst others in the field of pharmacological active ingredient research, and programs are supported, such as those in the area of affirmative action, the Minerva Program, in the area of support of junior scientists, the Max Planck Research Groups, in the area of the cooperation with the universities, the Max Planck Fellow program, and, in the area of cooperation with foreign research facilities, the program of the Max Planck Centers. Detailed information about these projects can be found in the Annual Report (chapter: „Support of Junior Scientists“ and „Cooperation Programs“).

Expenditure volumes amounted to approximately €84.4 million in 2012, and €90.9 million in the previous year. This decline is due to the fact that new projects to promote other areas were postponed temporarily.

STRATEGIC INNOVATION FUND EXPENDITURE (EUR mill.)



Special financing expenses

Special financing expenses rose by €12.5 million (34.6%) to a total of €48.6 million. These primarily comprise funds available on a multi-year basis. Compared with previous year, the reduction in the advance within the proportional financing in the General Budget from €10.1 million in 2011 to €2.4 million in 2012 exerted an effect. In the project grants area within the General Budget, special financing expenses arose (already offset with the €35.4 million of advances) of €52.5 million (2011: €49.4 million).

II. Notes to the overview of assets

The overview of assets reports total assets of €2,763.5 million as of December 31, 2012 (2011: €2,681.8 million).⁴ Total assets rose by €81.7 million year-on-year (3.0%).

The following table shows the change in the individual asset items of the balance sheet as of December 31, 2012 compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms:

Assets (EUR mill.)	2012		2011		Change	
Fixed assets						
Intangible assets	11.6	(0.4 %)	14.1	(0.5 %)	-2.5	(-17.7 %)
Tangible assets	2,408.7	(87.2 %)	2,336.5	(87.1 %)	72.2	(3.1 %)
Financial assets	136.4	(4.9 %)	138.3	(5.2 %)	-1.9	(-1.4 %)
Amount Fixed assets	2,556.7	(92.5 %)	2,488.9	(92.8 %)	67.8	(2.7 %)
Current assets						
Inventories	10.0	(0.4 %)	9.9	(0.4 %)	0.1	(1.0 %)
Receivables	90.7	(3.3 %)	98.3	(3.7 %)	-7.6	(-7.7 %)
Securities	1.1	(0.0 %)	1.2	(0.0 %)	-0.1	(-8.3 %)
Cash, balance in bank, postal giro credits	97.5	(3.5 %)	75.5	(2.8 %)	22.0	(29.1 %)
Amount Current assets	199.3	(7.2 %)	184.9	(6.9 %)	14.4	(7.8 %)
Deferred expenses and accrued income	7.5	(0.3 %)	8.0	(0.3 %)	-0.5	(-6.3 %)
TOTAL	2,763.5	(100.0 %)	2,681.8	(100.0 %)	81.7	(3.0 %)

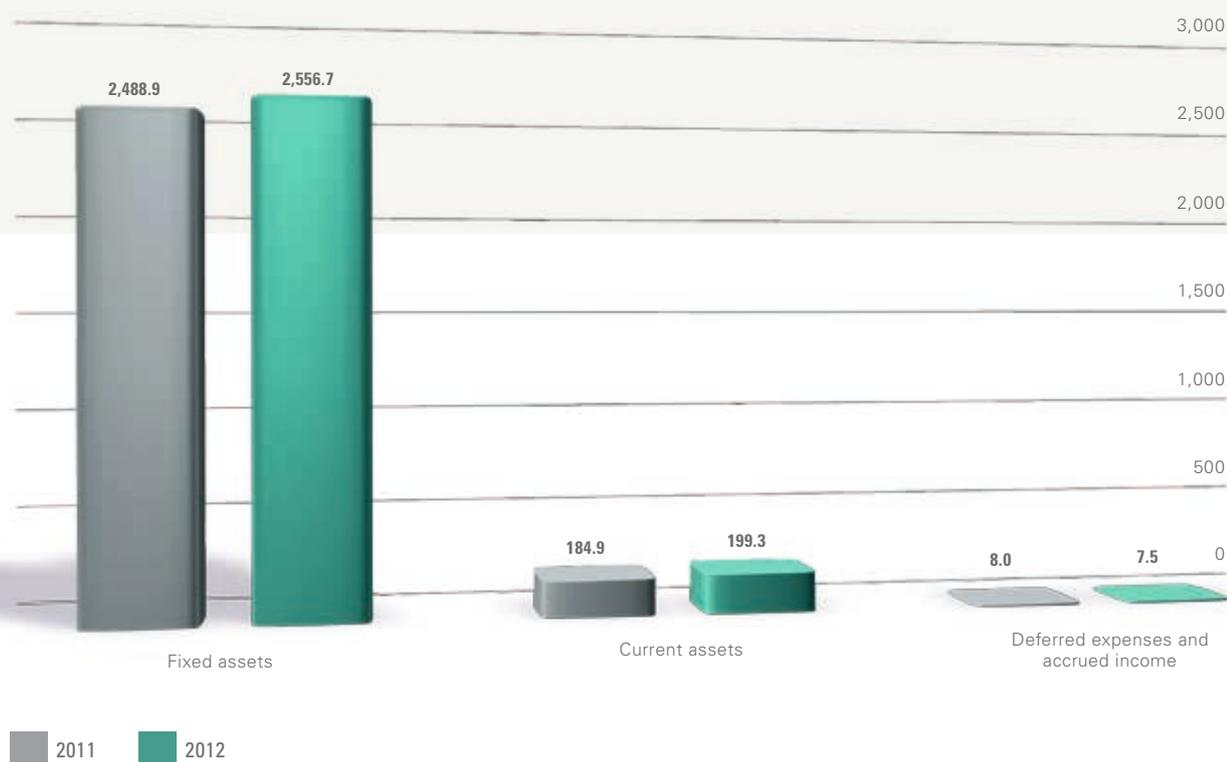
The following table shows the change in the individual equity and liabilities of the balance sheet as of December 31, 2012 compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms:

Equity and liabilities (EUR mill.)	2012		2011		Change	
Net assets	2,308.0	(83.5 %)	2,268.1	(84.5 %)	39.9	(1.8 %)
Provisions	302.6	(11.0 %)	275.3	(10.3 %)	27.3	(9.9 %)
Liabilities						
• Bank borrowings	1.2	(0.0 %)	1.2	(0.0 %)	0.0	(0.0 %)
• Trade payables	39.5	(1.4 %)	31.2	(1.2 %)	8.3	(26.6 %)
• Liabilities due to associated companies and companies in which an equity stake is held	9.1	(0.3 %)	8.8	(0.3 %)	0.3	(3.4 %)
• Other liabilities	13.7	(0.5 %)	15.4	(0.6 %)	-1.7	(-11.0 %)
Amount Liabilities	63.5	(2.3 %)	56.6	(2.1 %)	6.9	(12.2 %)
Deferred income and accrued expenses	89.4	(3.2 %)	81.8	(3.1 %)	7.6	(9.3 %)
TOTAL	2,763.5	(100.0 %)	2,681.8	(100.0 %)	81.7	(3.0 %)

⁴ The breakdown for the assets overview for the MPI for Plasma Physics was adjusted to reflect the breakdown for the Max Planck Society's General Budget.

Assets

ASSETS 2011 / 2012 (EUR mill.)



Fixed assets increased by €678 million (2.7%) to €2,556.7 million.

The statement of changes in fixed assets included on page 136 shows the changes in book values of **intangible assets** and **tangible assets** in 2012. Total additions of €435.9 million were capitalized. The inventory of assets fell by €66.0 million as the result of disposals. Depreciation and amortization amounted to €300.3 million.

The amount of **Financial assets** decreased by €1.9 million (-1.4%) to €136.4 million.

Current assets rose by €14.4 million (7.8%) to €199.3 million.

Inventories marginally increased by €0.1 million (1.0%) to €10.0 million. This item primarily includes the institutes' inventories of materials.

Receivables decreased by €7.6 million (-7.7%) year-on-year to €90.7 million. This item primarily reflects receivables due from grant providers. The reduction in the advance within proportional financing affected the decline of this item.

The amount of **Securities held as current assets** decreased by €0.1 million (-8.3%) year-on-year.

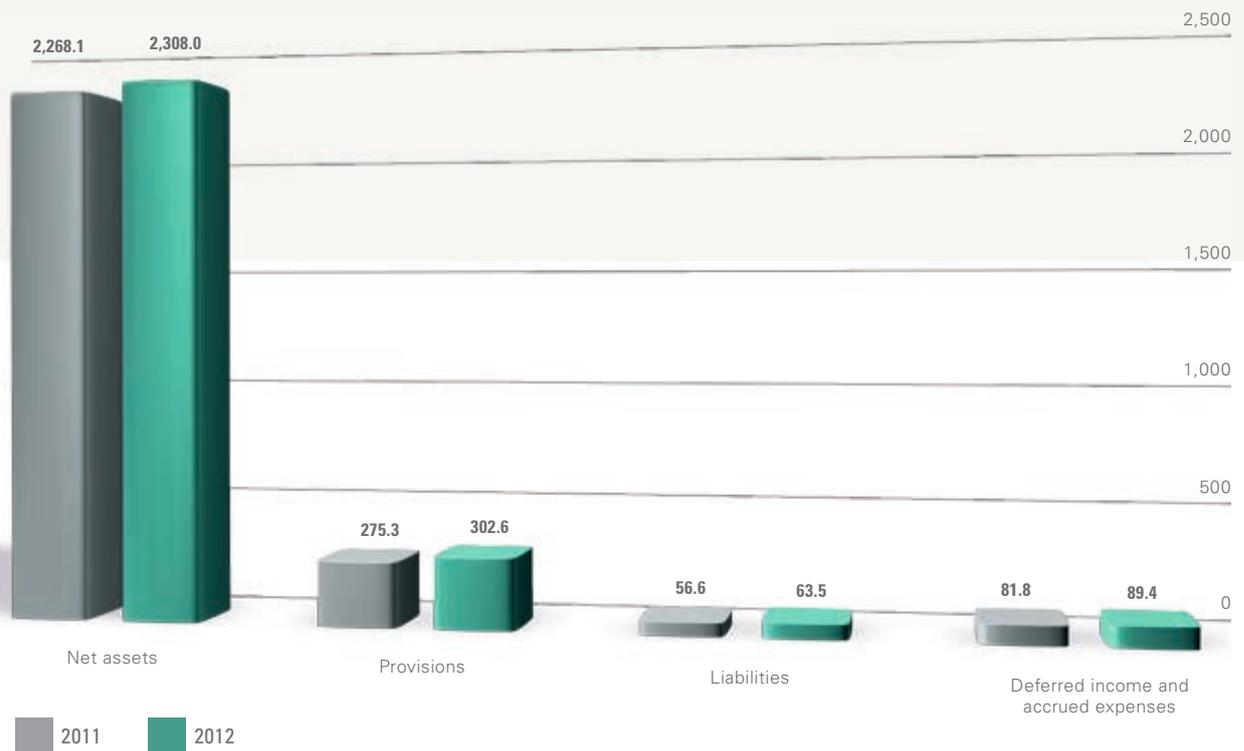
Liquid funds increased by €22.0 million (29.1%) to €97.5 million. This item includes cash holdings, current bank accounts in credit, and fixed-term deposits.

Deferred expenses and accrued income decreased by €0.5 million (-6.3%) compared with the previous year, to €7.5 million and primarily comprises personnel expenditures for the subsequent year.

Trust assets rose by €5.0 million to €46.1 million, which mainly contains the trust administration of EU project funds of €44.3 million.

Equity and liabilities

EQUITY AND LIABILITIES 2011 / 2012 (EUR mill.)



The **Society's net assets** increased by €39.9 million (1.8%) compared with the previous year, to €2,308.0 million. The change mainly is in line with the increase in fixed assets. The increase in the provisions, in particular, reduced net assets.

Provisions increased by €27.3 million (9.9%) to €302.6 million. Of this amount, pension provisions totaled €294.5 million (increase by €26.6 million).

Liabilities increased by €6.9 million (12.2%) compared with the previous year, to €63.5 million.

Deferred income and accrued expenses increased by €7.6 million (9.3%) to €89.4 million. This item primarily comprises the funds available on the multi-year basis which are included among special financing expenses; advances are reported in the „Receivables and other assets“ item in this context.

III. Statement of income and expenditure for 2012



	Actual 2012	Actual 2011
Income (EUR mill.)		
Own income	107,546,863.47	97,288,345.75
Public-sector subsidies for institutional funding		
• Proportional financing	1,420,996,610.11	1,369,571,799.17
• Special financing	12,142,272.14	14,501,366.82
Project grant subsidies	285,865,861.06	289,291,242.81
AMOUNT INCOME	1,826,551,606.78	1,770,652,754.55
Expenditure (EUR mill.)		
Personnel expenses	728,846,476.07	699,097,358.19
Expenditure on tangible items	516,069,498.15	540,718,701.49
Subsidies (excluding investments)	166,452,373.58	159,263,613.93
Expenditure on construction projects and other investments	366,598,173.60	335,454,723.49
AMOUNT EXPENDITURE	1,777,966,521.40	1,734,534,397.10
SPECIAL FINANCING EXPENSES	48,585,085.38	36,118,357.45

IV. Overview of assets as of December 31, 2012

ASSETS	(EUR)	31.12.2012 (EUR)	31.12.2011 (TEUR)
A. Fixed assets			
I. Intangible assets			
1. Concessions, industrial property rights and equivalent rights as well as licenses to such rights		11,612,069.10	14,116.8
II. Tangible assets			
1. Land, rights equivalent to land, and buildings including buildings on third-party land	1,193,842,079.20		1,233,984.2
2. Technical plant and machinery	480,752,061.79		516,038.0
3. Other plant, operating and office equipment	196,947,676.05		189,504.3
4. Plant under construction	537,144,568.73	2,408,686,385.77	397,009.0
III. Financial assets			
1. Equity stakes	1,550,612.03		1,551.6
2. Securities	129,224,361.66		131,572.4
3. Other loans	5,618,028.05	136,393,001.74	5,213.3
B. Current assets			
I. Inventories			
		10,014,163.45	9,849.4
II. Receivables and other assets			
1. Trade receivables	4,142,585.39		4,253.5
2. Receivables due from associated companies and companies in which an equity stake is held	0.00		7.0
3. Other assets	86,558,132.69	90,700,718.08	93,996.3
III. Securities			
		1,148,486.85	1,223.7
IV. Cash, bank deposits, postal giro credits			
		97,449,640.59	75,517.4
C. Deferred expenses and accrued income			
		7,516,452.05	7,983.1
TOTAL		2,763,520,917.63	2,681,820.0
Memorandum item: Trust assets		46,079,773.66	41,092.0

EQUITY AND LIABILITIES

	(EUR)	31.12.2012 (EUR)	31.12.2011 (TEUR)
A. Net assets		2,308,055,517.08	2,268,056.1
B. Provisions			
1. Pension provisions and similar commitments	294,541,296.00		267,938.9
2. Other provisions	8,020,869.26	302,562,165.26	7,398.0
C. Liabilities			
1. Bank borrowings	1,195,849.76		1,248.7
2. Trade payables	39,537,145.28		31,168.0
3. Liabilities due to associated companies and companies in which an equity stake is held	9,062,248.06		8,797.0
4. Other liabilities	13,745,796.87	63,541,039.97	15,447.1
D. Deferred income and accrued expenses		89,362,195.32	81,766.2
TOTAL		2,763,520,917.63	2,681,820.0
Memorandum item: Trust liability		46,079,773.66	41,092.0

MAX-PLANCK-GESELLSCHAFT ZUR FÖRDERUNG DER WISSENSCHAFTEN E.V.

Statement of changes in fixed assets as of December 31, 2012

EUR	Book value 01.01.2012	Addition	Disposal	Reclassi- fication	Depreciation/ amortization	Book value 31.12.2012
I. Intangible assets						
1. Concessions, industrial property rights and equivalent rights as well as licenses to such rights	14,116,752.15	3,639,289.50	-124,333.83	13,098.00	-6,032,736.72	11,612,069.10
II. Tangible assets						
1. Land, rights equivalent to land, and buildings including buildings on third-party land	1,233,984,224.54	34,989,648.66	-9,580,486.71	4,050,076.82	-69,601,384.11	1,193,842,079.20
2. Technical plant and machinery	516,038,016.24	162,543,643.28	-6,397,306.96	5,211,943.10	-196,644,233.87	480,752,061.79
3. Other plant, operating and office equipment	189,504,274.70	36,152,745.36	-1,015,827.86	313,400.34	-28,006,916.49	196,947,676.05
4. Plant under construction	397,009,040.02	198,558,700.40	-48,834,653.43	-9,588,518.26	0.00	537,144,568.73
	2,336,535,555.50	432,244,737.70	-65,828,274.96	-13,098.00	-294,252,534.47	2,408,686,385.77
TOTAL	2,350,652,307.65	435,884,027.20	-65,952,608.79	0.00	-300,285,271.19	2,420,298,454.87