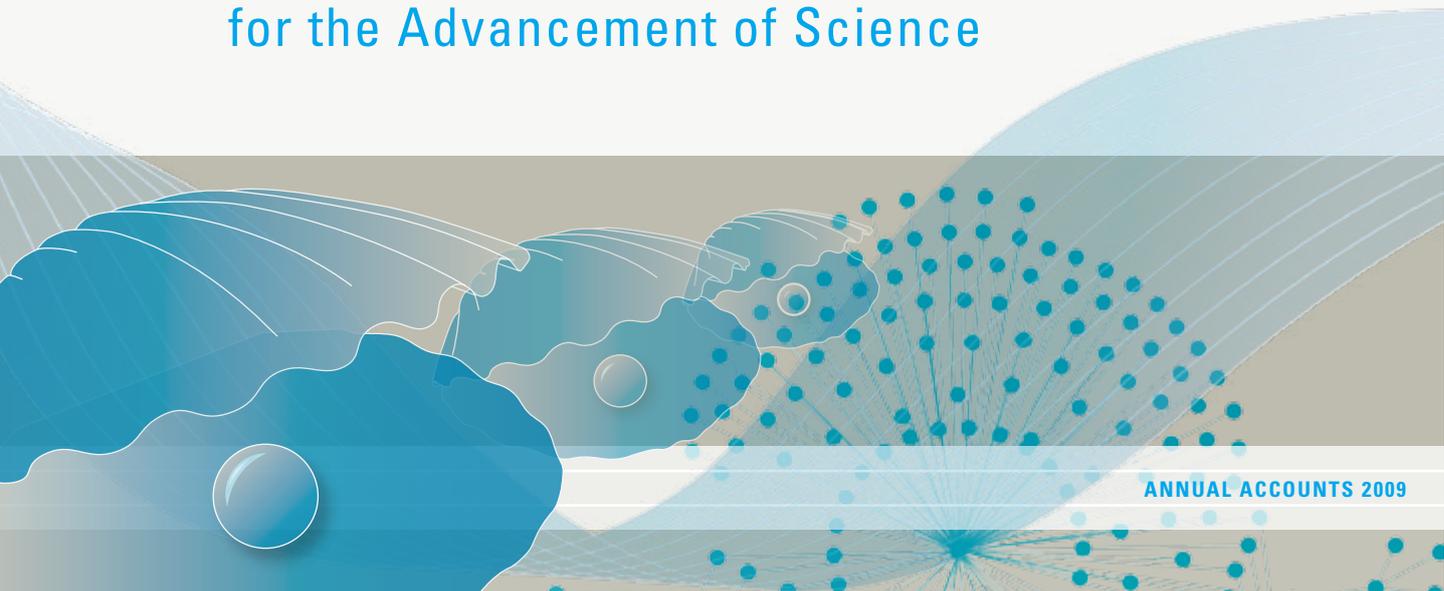


## ADDITION

## 2009 Annual Accounts of the Max Planck Society for the Advancement of Science



## GENERAL

As an annex to the 2009 Annual Report, the audited 2009 Annual Accounts<sup>1</sup> are presented to the General Meeting of the members of the Max Planck Society for the Advancement of Science (Max Planck Society) for examination and approval at its meeting on June 17, 2010, subject to their statutory treatment by the Executive Committee at its meeting on June 16, 2010 and by the Senate at its meeting on June 17, 2010.

The 2009 Annual Accounts consist of a statement of income and expenditure as well as an overview of assets:

- of the General Budget, and
- of the MPI 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 independent 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 Institute for Iron Research GmbH and the 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.<sup>2</sup>

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

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.

<sup>1</sup> In line with the audit mandate issued to it by the 2009 General Meeting of the Members, the Audit Department of the Administrative Headquarters of the Max Planck Society audited the 2009 Annual Accounts, and awarded them an unqualified audit opinion. The auditing company Ernst & Young GmbH, Munich, audited the annual financial statements of the Max Planck Institute for Plasma Physics (Budget B), and Wirtschaftsprüfungsgesellschaft PricewaterhouseCoopers AG, Munich, audited the annual financial statements of the Private Assets of the Max Planck Society - in line with the audit mandates issued by the 2009 General

<sup>2</sup> 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 B). They did not, however, form part of the Annual Accounts of the Max Planck Society for the Advancement of Science.

# I. Notes to the statement of income and expenditure

The 2009 accounting year closed for the Max Planck Society with income and expenditure of €1,693.2 million (2008: €1,773.4 million), and a decrease of €80.2 million (-4.5%) compared with the previous year.

This was particularly due to special factors:

The categorization of the VAT-related corporate status was modified in 2008, which restricted the Max Planck Society's input tax deduction. For this reason, the Max Planck Society received a one-off subsidy (around €148.1 million), which it used to pay the previous years' VAT arrears.

The implementation of the economic programs of the federal government and federal states also had an impact in 2009. These resulted in an increase in income from subsidies for special financing and construction spending of around €14.7 million.

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.)	2009		2008		Change	
Own income	84.2	(5.0 %)	81.0	(4.6 %)	3.2	(4.0 %)
Public-sector subsidies for institutional funding						
• Proportional financing	1,303.6	(77.0 %)	1,415.4	(79.8 %)	-111.8	(-7.9 %)
• Special financing	19.0	(1.1 %)	3.1	(0.2 %)	15.9	(512.9 %)
Project grant subsidies	286.4	(16.9 %)	273.9	(15.4 %)	12.5	(4.6 %)
<b>AMOUNT INCOME</b>	<b>1,693.2</b>	<b>(100.0 %)</b>	<b>1,773.4</b>	<b>(100.0 %)</b>	<b>-80.2</b>	<b>(-4.5 %)</b>
<b>Expenditure (EUR mill.)</b>						
Personnel expenses	658.7	(38.8 %)	622.1	(35.1 %)	36.6	(5.9 %)
Expenditure on tangible items	531.2	(31.4 %)	662.0	(37.3 %)	-130.8	(-19.8 %)
Grants (excluding investments)	145.5	(8.6 %)	134.6	(7.6 %)	10.9	(8.1 %)
Expenditure on construction projects and other investments	307.5	(18.2 %)	277.5	(15.6 %)	30.0	(10.8 %)
<b>AMOUNT EXPENDITURE</b>	<b>1,642.9</b>	<b>(97.0 %)</b>	<b>1,696.2</b>	<b>(95.6 %)</b>	<b>-53.3</b>	<b>(-3.1 %)</b>
<b>Additions to as yet invoiced subsidies</b>	<b>50.3</b>	<b>(3.0 %)</b>	<b>77.2</b>	<b>(4.4 %)</b>	<b>-26.9</b>	<b>(-34.8 %)</b>
<b>TOTAL</b>	<b>1,693.2</b>	<b>(100 %)</b>	<b>1,773.4</b>	<b>(100.0 %)</b>	<b>-80.2</b>	<b>(-4.5 %)</b>

## Income

The **income** of the Max Planck Society declined by €80.2 million (-4.5%) in 2009 to €1,693.2 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 2008 / 2009 (EUR mill.)



**Own income** increased by €3.2 million (4.0%) to €84.2 million. This item includes income from research and other scientific activities, as well as other administrative and operating income.

The **subsidy for proportional financing** registered a total decline of €111.8 million (-7.9%) to €1,303.6 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.)	2009	2008	Change
<b>General Budget</b>			
Current subsidies	1,173.3	1,139.5	33.8 (3.0%)
Special VAT subsidy	0.0	133.2	-133.2
Transferable funding from previous years	31.8	28.9	2.9
<b>MPI for Plasma Physics</b>			
Current subsidies	98.3	98.4	-0.1
Special VAT subsidy	0.0	14.9	-14.9
Transferable funding from previous years	0.2	0.5	-0.3
<b>TOTAL</b>	<b>1,303.6</b>	<b>1,415.4</b>	<b>-111.8</b>

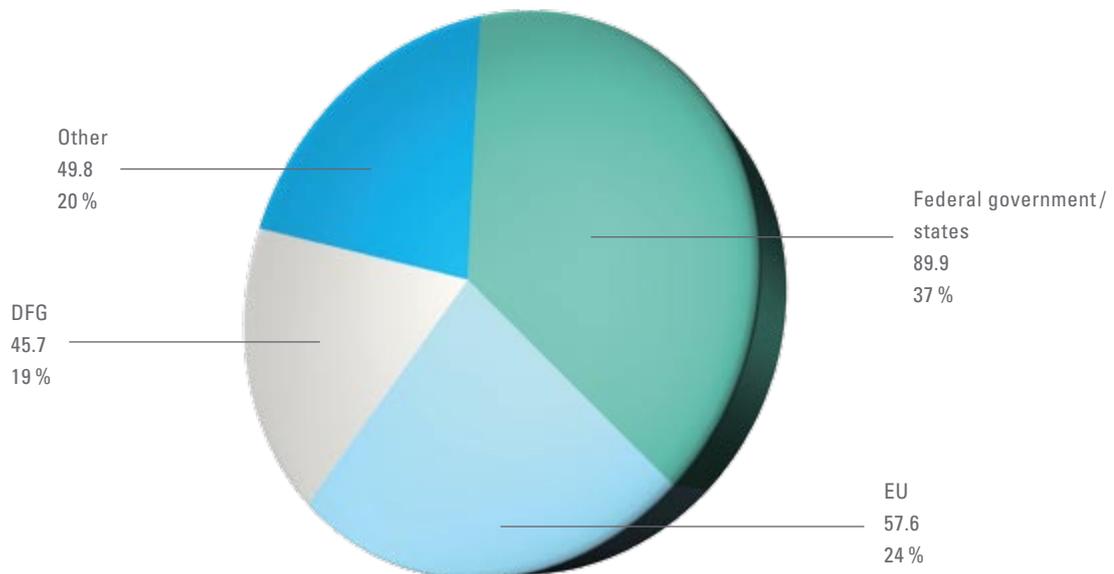
Subsidies fell by a total of €148.1 million due to the one-off subsidy in the previous year to balance the reduced input tax deduction. The General Budget's regular current subsidies increased by 3% year-on-year in line with the annual approval. The rate of increase corresponds to the growth rate that was decided upon in the Research and Innovation Pact I.

The **subsidy for special financing** (please refer to Table on page 142) relates solely to the General Budget. Along with financing for special measures, this year's figure also includes the expenses of €14.7 million incurred as part of the Economic Programs I and II. This is the reason for the significant year-on-year increase of €15.9 million (512.9%) to €19.0 million.

The **subsidies for project grants** (please refer to Table on page 142) amount to 16.9% of total income. At €286.4 million, they were €12.5 million (4.6%) above the previous year's level.

The following diagram presents the breakdown of subsidy providers in millions of euros:

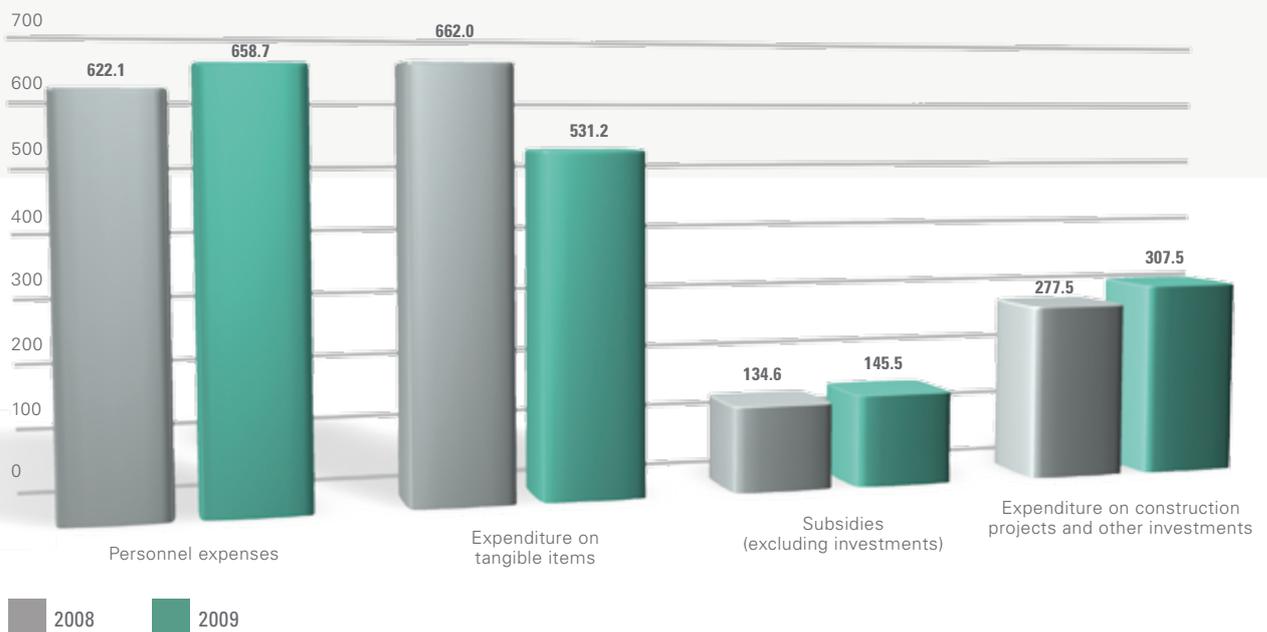
**BREAKDOWN OF SUBSIDY PROVIDERS (EUR mill.)**



## Expenditure

**Expenditure** in 2009 fell by €53.3 million (-3.1%) to €1,642.9 million.

### BREAKDOWN OF EXPENDITURE 2008 / 2009 (EUR mill.)



The individual items as well as their changes compared with the previous year are explained in greater detail below.

**Personnel expenses** rose again, by €36.6 million (5.9%), to total €658.7 million. Besides the change in salaries for the Collective Wage Agreement for Government Service Workers (TVöD), the increase is due to the rise in the number of staff. Detailed information can be found in the 2009 Annual Report (chapter: "Central Matters, Staff").

**Expenditure on tangible items** fell by €130.8 million (-19.8%) to €531.2 million. This decline is due to the payment of VAT arrears of €148.1 million in 2008 for the years 2005 to 2008.

**Subsidies (excluding investments)** rose by €10.9 million (8.1%) to €145.5 million. This item mainly contains expenses of €113.1 million for the support of Junior Scientists. Detailed information can be found in the Annual Report (chapter: "Support of Junior Scientists").

**Expenditure for construction projects and other investments** increased by €30.0 million (10.8%) to €307.5 million. This item contains expenditure for construction projects (€117.7 million), the initial equipping of buildings and facilities (€4.7 million), and other investments including appointment funds (€185.1 million). Only a few investments are described in greater detail and on a representative basis due to the large number of projects conducted:

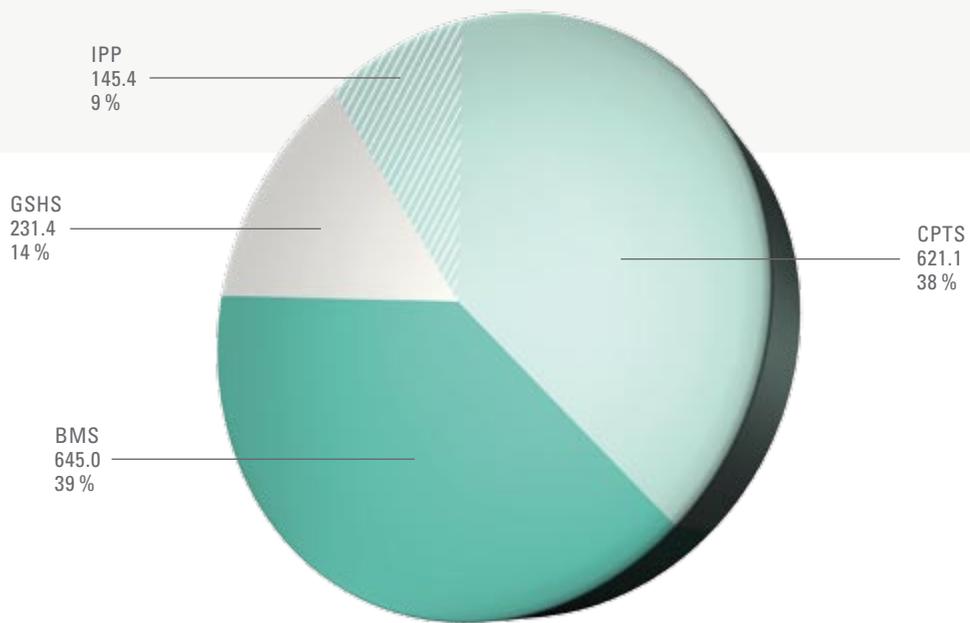
The new laboratory building for the MPI for Heart and Lung Research in Bad Nauheim was completed in 2009.

Construction costs amounted to a total of around €30.3 million, with €12.2 million being attributable to the year 2009, along with initial facility fittings amounting to €3.4 million. As a consequence, the Institute now has access to an infrastructure that to a high degree meets the demands of the most up-to-date cardiovascular basic research.

Extensive initial investments for the scientific equipment and infrastructure projects (around €5.7 million) were realized for the MPI for Biology of Ageing, which is still in the build-up phase.

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

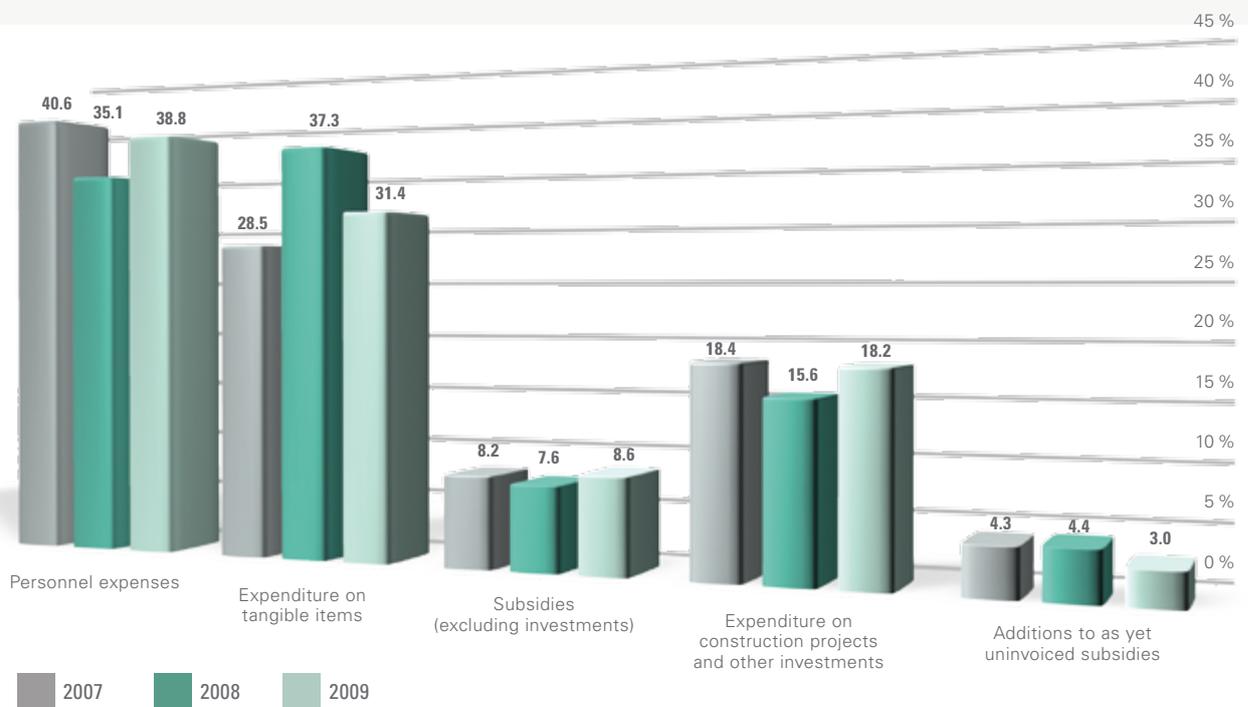
**EXPENDITURE BREAKDOWN BY SECTION (EUR mill.)**



- 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 additions to as yet un-invoiced subsidies:

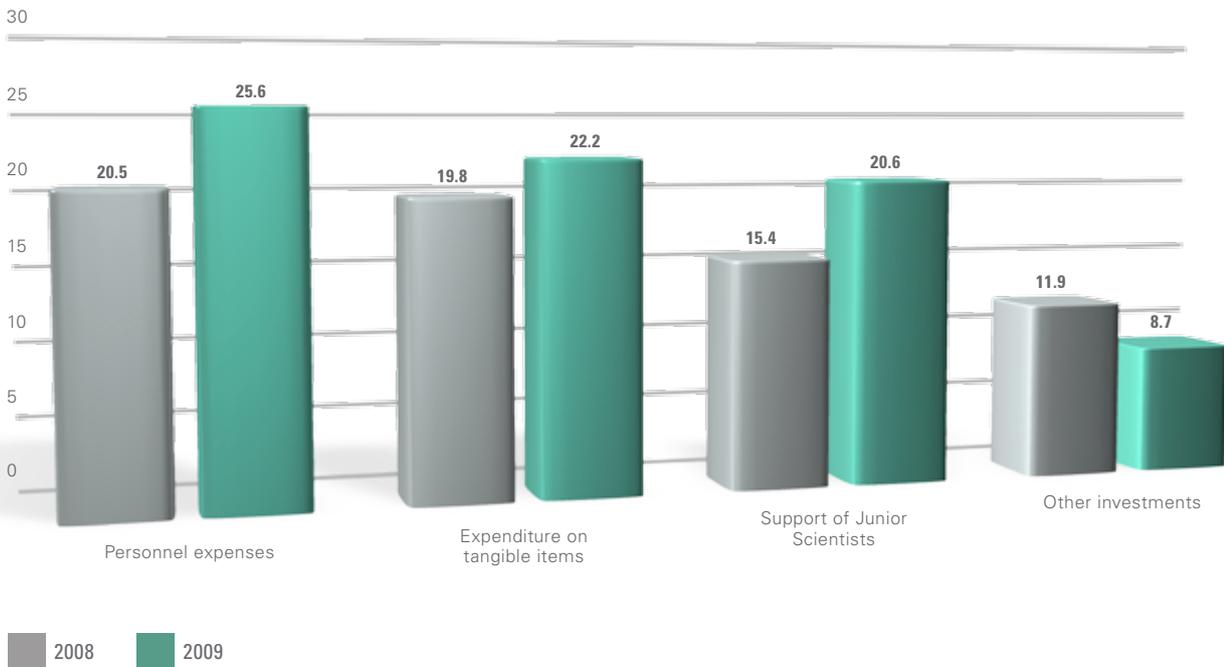
**APPLICATION OF FUNDS 2007 – 2009 AS % OF TOTAL EXPENDITURE**



The special effects arising from the VAT arrears payment in 2008 fed through to a disproportionately high percentage increase in expenditure on tangible items, with a corresponding percentage decline in the other items. The expenditure trend normalized again in 2009, as a consequence of which the share of personnel expenditure increased by 38.8%, but remained below the 2007 level. The share of expenditure on tangible items fell to 31.4% in 2009, along with the reduction in as yet un-invoiced subsidies to 3.0%. Subsidies (excluding investments) amounted to 8.6% of total expenditure in 2009, and investments to 18.2% of total expenditure.

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. Expenditure volumes amounted to approximately €77.1 million in 2009, and €67.6 million in the previous year. 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.

### STRATEGIC INNOVATION FUND EXPENDITURE



Projects and programs are supported, including, in the area of affirmative action, the Minerva Program, and, in the area of support of Junior Scientists, the open-theme Max Planck research groups. Detailed information about these projects can be found in the Annual Report (chapter: "Support of Junior Scientists" and "Cooperation Programs").

## Additions to as yet invoiced subsidies

**Additions to as yet invoiced subsidies** fell by €26.9 million (-34.8%) to a total of €50.3 million. The transferable project grant funds of €43.8 million within the General Budget are almost unchanged.

## II. Notes to the overview of assets

The overview of assets reports total assets of €2,609.5 million as of December 31, 2009 (2008: €2,595.2 million).<sup>3</sup> Total assets rose by €14.3 million year-on-year (0.6%).

The following table shows the change in the individual asset items of the balance sheet as of December 31, 2009 compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms:

Assets (EUR mill.)	2009		2008		Change	
<b>Fixed assets</b>						
Intangible assets	18.6	(0.7 %)	20.3	(0.8 %)	-1.7	(-8.4 %)
Tangible assets	2,280.2	(87.4 %)	2,235.6	(86.1 %)	44.6	(2.0 %)
Financial assets	136.3	(5.2 %)	133.3	(5.1 %)	3.0	(2.3 %)
<b>Amount Assets</b>	<b>2,435.1</b>	<b>(93.3 %)</b>	<b>2,389.2</b>	<b>(92.0 %)</b>	<b>45.9</b>	<b>(1.9 %)</b>
<b>Current assets</b>						
Inventories	8.9	(0.3 %)	8.7	(0.3 %)	0.2	(2.3 %)
Receivables	65.7	(2.6 %)	61.1	(2.4 %)	4.6	(7.5 %)
Securities	1.0	(0.0 %)	1.0	(0.0 %)	0.0	(0.0 %)
Cash, bank balances, Postal giro credits	90.6	(3.5 %)	127.8	(5.0 %)	-37.2	(-29.1 %)
<b>Amount Current assets</b>	<b>166.2</b>	<b>(6.4 %)</b>	<b>198.6</b>	<b>(7.7 %)</b>	<b>-32.4</b>	<b>(-16.3 %)</b>
<b>Deferred expenses and accrued income</b>	<b>8.2</b>	<b>(0.3 %)</b>	<b>7.4</b>	<b>(0.3 %)</b>	<b>0.8</b>	<b>(10.8 %)</b>
<b>TOTAL</b>	<b>2,609.5</b>	<b>(100 %)</b>	<b>2,595.2</b>	<b>(100.0 %)</b>	<b>14.3</b>	<b>(0.6 %)</b>

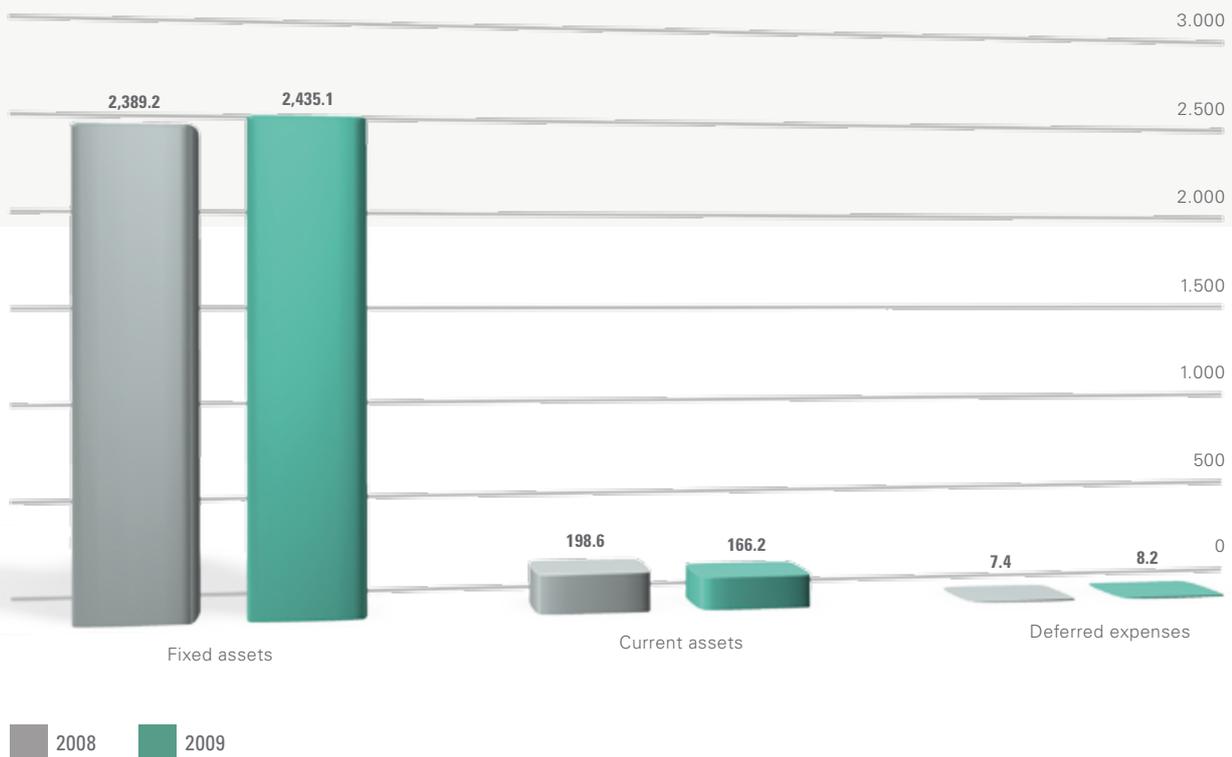
The following table shows the change in the individual equity and liabilities items of the balance sheet as of December 31, 2009 compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms:

Equity and liabilities (EUR mill.)	2009		2008		Change	
<b>Net assets</b>	2,252.5	(86.3 %)	2,221.0	(85.6 %)	31.5	(1.4 %)
<b>Provisions</b>	223.1	(8.5 %)	213.0	(8.2 %)	10.1	(4.7 %)
<b>Liabilities</b>						
• Bank borrowings	1.4	(0.1 %)	1.4	(0.1 %)	0.0	(0.0 %)
• Trade payables	35.3	(1.4 %)	40.6	(1.6 %)	-5.3	(-13.1 %)
• Liabilities due to associated companies and companies in which an equity stake is held	0.0	(0.0 %)	0.0	(0.0 %)	0.0	(0.0 %)
• Other liabilities	14.4	(0.6 %)	14.7	(0.6 %)	-0.3	(-2.0 %)
<b>Amount Liabilities</b>	<b>51.1</b>	<b>(2.0 %)</b>	<b>56.7</b>	<b>(2.2 %)</b>	<b>-5.6</b>	<b>(-9.9 %)</b>
<b>Deferred income and accrued expenses</b>	82.8	(3.2 %)	104.5	(4.0 %)	-21.7	(-20.8 %)
<b>TOTAL</b>	<b>2,609.5</b>	<b>(100 %)</b>	<b>2,595.2</b>	<b>(100.0 %)</b>	<b>14.3</b>	<b>(0.6 %)</b>

<sup>3</sup> 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 2008 / 2009 (in Mio. Euro)



**Fixed assets** increased by €45.9 million (1.9%) to €2,435.2 million. The trend in fixed assets primarily corresponds to that of net assets.

The statements of changes in assets included on page 155 shows the changes in book values of **intangible assets** and **tangible fixed assets** in 2009. Total additions of €384.6 million were capitalized. The inventory of assets fell by €62.5 million as the result of disposals. Depreciation and amortization amounted to €279.2 million.

**Financial assets** increased by €3.0 million (2.3%) to €136.3 million.

**Current assets** fell by €32.4 million (16.3%) to €166.2 million.

**Inventories** of €8.9 million were almost unchanged compared with the previous year. This item primarily includes the institutes' inventories of materials.

**Receivables** increased by €4.6 million (7.5%) year-on-year to €65.7 million.

**Securities held as current assets** were unchanged, and were reported at €1.0 million.

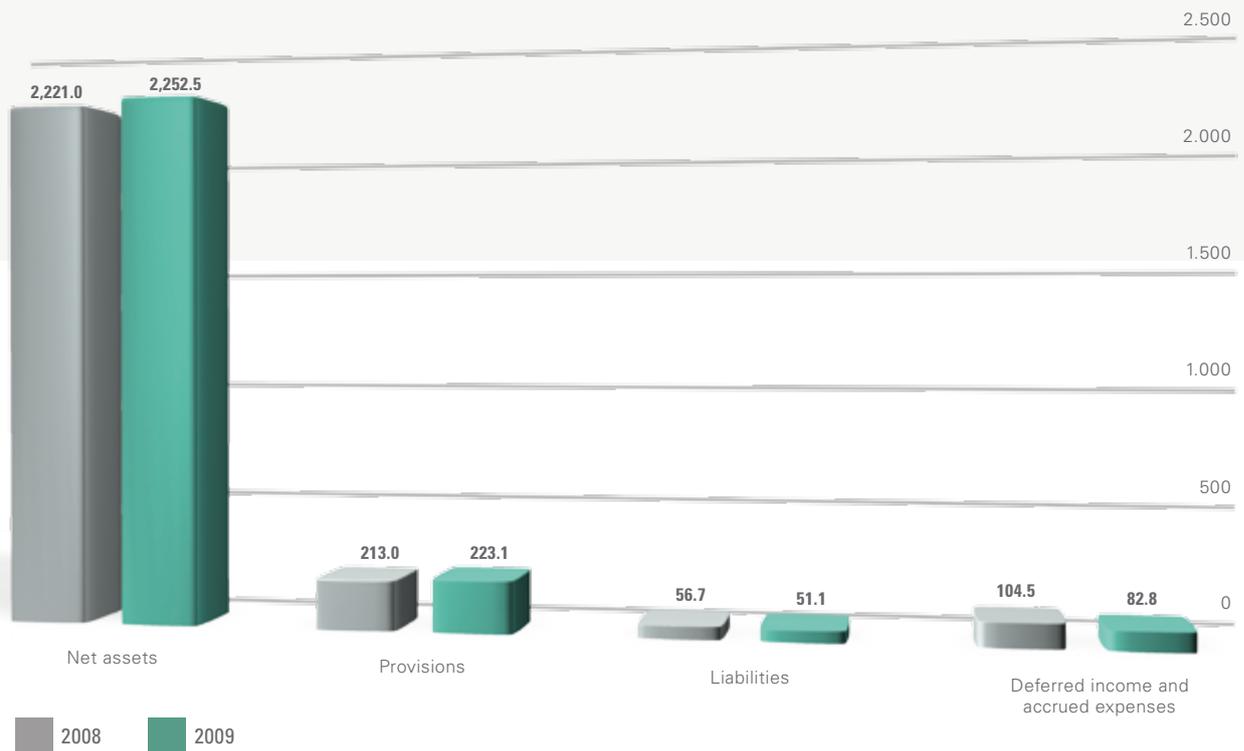
**Liquid funds** fell by €37.2 million (-29.1%) to €90.6 million. This item includes cash holdings, current bank accounts in credit, and fixed-term deposits. The change in funds held at banks correlates with the decline in the accruals and accrued expenses item due to the reduction in transferable funds.

**Prepayments and accrued income** rose by €0.8 million (10.8%) compared with the previous year, to €8.2 million.

**Trust assets** increased by €9.8 million to €24.3 million, which is mainly due to the rise in the trust administration of EU project funds of €22.2 million.

## Equity and liabilities

### EQUITY AND LIABILITIES 2008 / 2009 (EUR mill.)



The Society's **net assets** rose by €31.5 million (1.4%) compared with the previous year, to €2,252.5 million. The increase largely corresponds with the change in fixed assets.

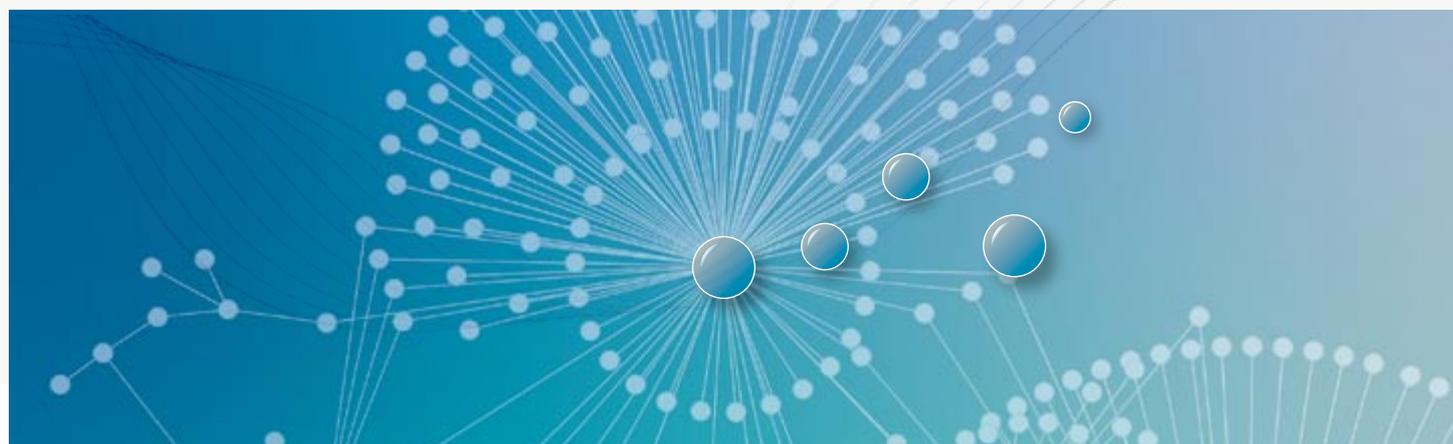
**Provisions** increased by €10.1 million (4.7%) to €223.1 million. Of this amount, pension provisions totaled €214.8 million.

**Liabilities** fell by €5.6 million (-9.9%) compared with the previous year, to €51.1 million.

**Deferred income and accrued expenses** decreased by €21.7 million (-20.8%) to €82.8 million. The decrease is in line with the reduction of transferable funds within proportional financing.

MAX PLANCK SOCIETY FOR THE ADVANCEMENT OF SCIENCE

### III. Statement of income and expenditure for 2009



	Actual 2009	Actual 2008
<b>Income (EUR)</b>		
Own income	84,171,276.22	81,043,638.34
Public-sector subsidies for institutional funding		
• Proportional financing	1,303,558,652.03	1,415,356,605.45
• Special financing	19,027,666.59	3,109,411.61
Project grant subsidies	286,434,883.30	273,909,977.06
<b>AMOUNT INCOME</b>	<b>1,693,192,478.14</b>	<b>1,773,419,632.46</b>
<b>Expenditure (EUR)</b>		
Personnel expenses	658,738,595.13	622,119,891.08
Expenditure on tangible items	531,172,935.97	661,993,991.45
Subsidies (excluding investments)	145,493,210.14	134,556,217.77
Expenditure on construction projects and other investments	307,518,227.65	277,545,510.89
<b>AMOUNT EXPENDITURE</b>	<b>1,642,922,968.89</b>	<b>1,696,215,611.19</b>
<b>Additions to as yet invoiced subsidies</b>	<b>50,269,509.25</b>	<b>77,204,021.27</b>

## MAX PLANCK SOCIETY FOR THE ADVANCEMENT OF SCIENCE

## IV. Overview of assets as of December 31, 2009

ASSETS	31.12.2009	31.12.2008
	EUR	TEUR
<b>A. Fixed assets</b>		
<b>I. Intangible assets</b>		
1. Concessions, industrial property rights and equivalent rights as well as licenses to such rights	18,564,474.67	20,310.8
<b>II. Tangible assets</b>		
1. Land, rights equivalent to land, and buildings including buildings on third-party land	1,180,002,162.42	1,198,157.2
2. Technical plant and machinery	517,173,418.39	503,745.4
3. Other plants, operating and office equipment	234,087,567.43	226,699.0
4. Plant under construction	348,940,799.85	2,280,203,948.09
<b>III. Financial assets</b>		
1. Equity stakes	1,209,011.02	1,428.0
2. Securities	129,511,523.55	126,025.6
3. Other loans	5,614,643.53	136,335,178.10
<b>B. Current assets</b>		
<b>I. Inventories</b>	8,888,279.18	8,739.3
<b>II. Receivables and other assets</b>		
1. Trade receivables	3,196,216.48	2,737.6
2. Receivables due from associated companies and companies in which an equity stake is held	25,064.60	2.4
3. Other assets	62,393,511.70	65,614,792.78
<b>III. Securities</b>	1,039,400.24	1,038.9
<b>IV. Cash, bank deposits, postal giro credits</b>	90,641,395.07	127,763.5
<b>C. Deferred expenses and accrued income</b>	8,192,296.47	7,440.1
<b>TOTAL</b>	<b>2,609,479,764.60</b>	<b>2,595,221.6</b>
Memorandum item:		
<b>Trust assets</b>	24,349,033.57	14,526.8

**EQUITY AND LIABILITIES**

	31.12.2009	31.12.2008
	EUR	TEUR
<b>A. Net assets</b>	2,252,465,095.14	2,220,925.2

**B. Provisions**

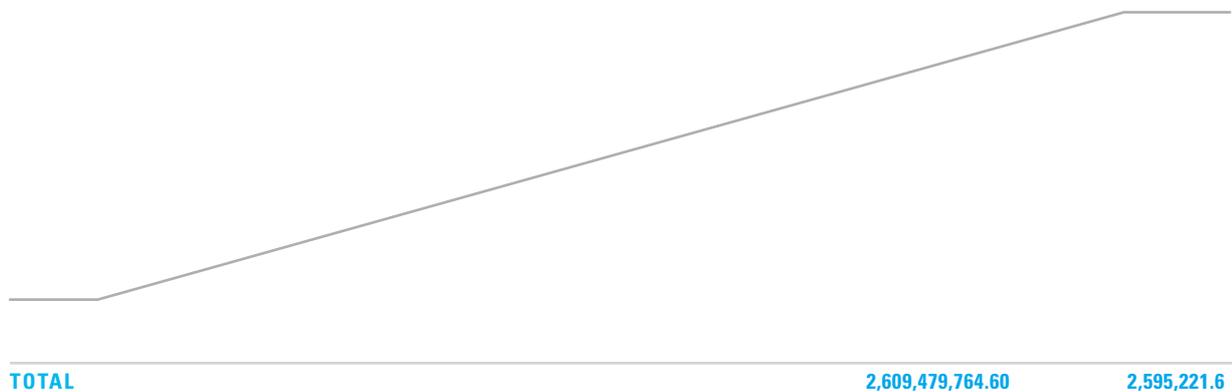
1. Pension provisions and similar commitments	214,833,114.00	204,923.1
2. Other provisions	8,247,106.45	223,080,220.45
		8,118.2

**C. Liabilities**

1. Bank borrowings	1,382,586.74	1,439.0
2. Trade payables	35,317,908.47	40,641.9
3. Liabilities due to associated companies and companies in which an equity stake is held	2,649.26	1.5
4. Other liabilities	14,408,198.32	51,111,342.79
		14,721.1

**D. Deferred income and accrued expenses**

	82,823,106.22	104,451.6
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<b>TOTAL</b>	<b>2,609,479,764.60</b>	<b>2,595,221.6</b>
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Memorandum item:

<b>Trust liability</b>	24,349,033.57	14,526.8
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## MAX PLANCK SOCIETY FOR THE ADVANCEMENT OF SCIENCE

Statement of changes in fixed assets  
as of December 31, 2009

EUR	Book value 01.01.2009	Addition / write-up	Disposal	Reclassification	Depreciation / amortization	Book value 31.12.2009
<b>I. Intangible assets</b>						
1. Concessions, industrial property rights and equivalent rights as well as licenses to such rights	20,310,827.87	4,697,258.77	-160,021.44	-1,437.00	-6,282,153.53	18,564,474.67
<b>II. Tangible assets</b>						
1. Land, rights equivalent to land, and buildings including buildings on third-party land	1,198,157,161.72	46,389,910.76	-1,120,183.88	2,130,469.32	-65,555,195.50	1,180,002,162.42
2. Technical plant and machinery, scientific inventories and workshop inventories	503,745,431.31	183,679,700.68	-6,247,594.50	18,853,493.39	-182,857,612.49	517,173,418.39
3. Other plant, operating and office equipment	226,698,970.68	33,194,283.21	-1,948,207.26	654,532.09	-24,512,011.29	234,087,567.43
4. Plant under construction	307,001,923.96	116,651,706.91	-53,075,773.22	-21,637,057.80	0.00	348,940,799.85
<b>Amount tangible assets</b>	<b>2,235,603,487.67</b>	<b>379,915,601.56</b>	<b>-62,391,758.86</b>	<b>1,437.00</b>	<b>-272,924,819.28</b>	<b>2,280,203,948.09</b>
<b>TOTAL</b>	<b>2,255,914,315.54</b>	<b>384,612,860.33</b>	<b>-62,551,780.30</b>	<b>0.00</b>	<b>-279,206,972.81</b>	<b>2,298,768,422.76</b>