



Science For A Better Life



Credit Suisse
14th Annual Global Ag Productivity Conference

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Member of the Board of Management of
Bayer CropScience AG

March 11 | 2009 | London

Important Information



This presentation may contain forward-looking statements based on current assumptions and forecasts made by Bayer Group or subgroup management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Overview



2008 Our Most Successful Year

Long-term Growth Drivers Intact

Innovation Drives Strategic Agenda

Continued Growth at High Margin

Appendix



■ **2008 Our Most Successful Year**



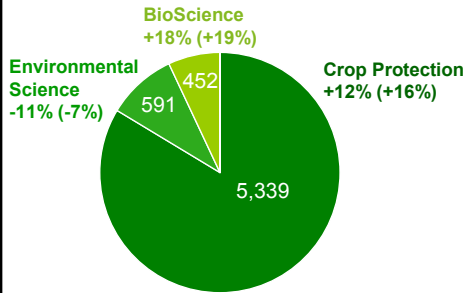
2008 – Record Sales and Earnings



FY 2008 Sales

FY 2008 Earnings

In € million, Δ% y-o-y



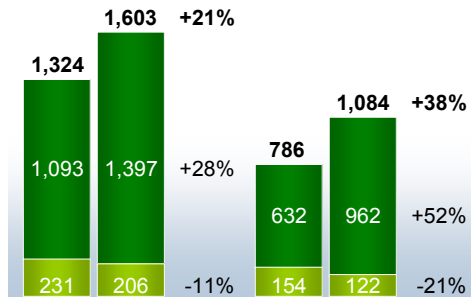
CropScience € 6,382m; +9.5% (+13.9%)

() Currency & portfolio adjusted

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Underlying EBITDA

Underlying EBIT



FY'07 FY'08
22.7% 25.1%
Underlying EBITDA margin

Margin Target Achieved One Year Earlier Than Originally Planned



25% underlying EBITDA margin target reached in 2008

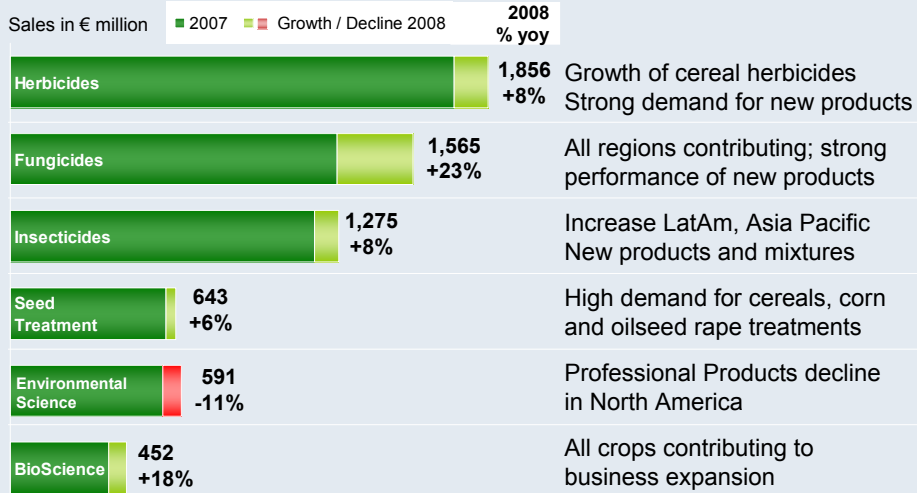
○ Underlying EBITDA margin
■ Underlying EBIT



- Improvement of product mix
- Phase-out of older low-margin compounds
- Selling price increases
- Synergies and savings from restructuring initiatives

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Fungicides Strongest Contributor to 2008 Sales Growth



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New Active Ingredients Drive Growth of Top Ten Products



In € million		FY 2008	Δ YOY	Δ YOY ^{Fx}
Imidacloprid		599	7.7 %	13.0 %
Trifloxystrobin		365	50.2 %	58.0 %
Prothioconazole		246	40.6 %	46.8 %
Mesosulfuron		244	17.9 %	21.1 %
Tebuconazole		242	3.0 %	6.7 %
Glufosinate-ammonium		235	-2.5 %	1.9 %
Clothianidin		223	-5.9 %	0.5 %
Fenoxaprop-p ethyl		203	8.6 %	13.5 %
Deltamethrin		175	-1.7 %	3.5 %
Fluoxastrobin		132	65.0 %	68.2 %
Top 10 Products		2,664	13.9 %	19.1 %
Total Agchem (Crop Protection + Env. Science)		5,930	8.9 %	13.5 %

New Active Ingredient

Fx = currency adjusted

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New Fungicides

Fx = currency adjusted

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We Aspire to Become #1 in Fungicides



€ 1,565 million Sales in 2008 (+28% yoy Fx-adj.)

- Potential for 5 - 10 % yield increase with strobilurins in broad acre crops appealing to farmers
- Very strong cereal business in Europe benefited from high commodity prices and strong disease pressure in Western Europe
- US fungicides business grew by 87% in a dynamic market; corn was main driver, most of US cereal acres received fungicide spray for the first time
- Market share gain in Brazil mainly due to high demand for Nativo® (tebuconazole+trifloxystrobin)
- Price increases could be implemented especially in Latin America and Europe

Attractive Portfolio Assets

Launch in 2010*

- Bixafen
- Fluopyram
- Isotianil

* subject to regulatory approval

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Considerable Business Expansion in BRIC Countries



Sales by market (€m)	FY 2008	Δ YOY	Δ YOY ^{Fx}	CAGR 2006-08
Brazil	676	+ 37 %	+ 46 %	+ 27 %
Russian Federation	75	+ 23 %	+ 28 %	+ 31 %
India	218	+ 19 %	+ 34 %	+ 16 %
Greater China	108	+ 6 %	+ 6 %	+ 10 %
Total BRIC countries	1,078	+ 28 %	+ 37 %	+ 23 %
Share of BRIC in total CropScience sales	17 %			

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Record Performance in Brazil



Market

- Brazil has passed the US in 2008 as the world's no. 1 agchem market (market size: \$7 bn)

Bayer CropScience position strengthened

- Market share gains achieved in 2008
- 2008 double-digit growth in all segments with particularly high demand for our innovative a.i.s and new mixture products

Outlook

- Further growth targeted in an overall positive environment
- Close risk management and significant barter business expansion to limit potential impact of reduced credit availability

Sales Development

In € million

CAGR: + 27 %
Fx adj. + 34 %



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■ Long-term Growth Drivers Intact



Positive Ag Market Environment Expected to Continue in 2009



2008

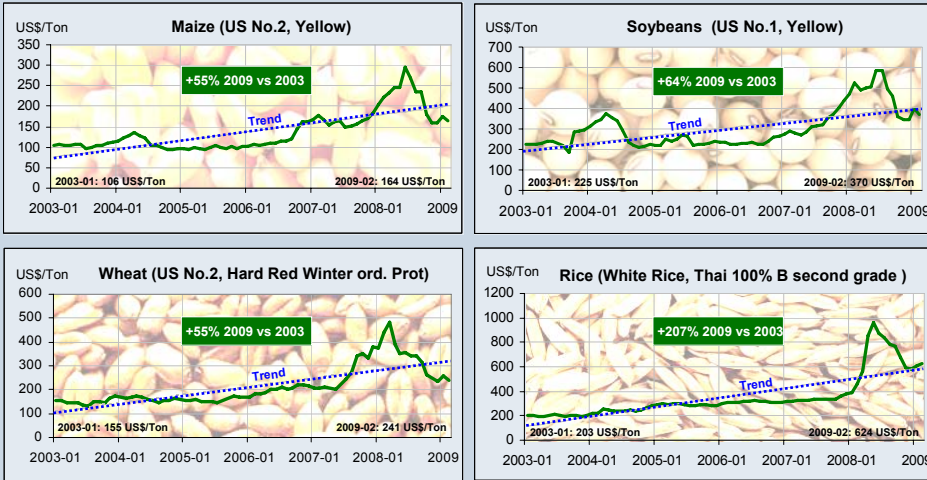
- Prices of crop commodities on record highs until Q3'08, decline thereafter
- Farmer margins squeezed by high fertilizer and energy prices
- Shortages for certain agchem products allowed price increases
- One-time increase in cereals acreage in Europe due to set-aside to zero
- Favorable weather conditions
- Strong fundamental drivers

2009E

- Prices of crop commodities still on attractive levels for farmers
- Farm income positively impacted by declining cost for energy and fertilizers
- In some countries limited credit availability for farmers
- Moderate market growth of 2% to 3% in 2009 expected, rather driven by price than by volume increases
- Long-term fundamental drivers intact



Grain Commodity Prices Still on Attractive Levels

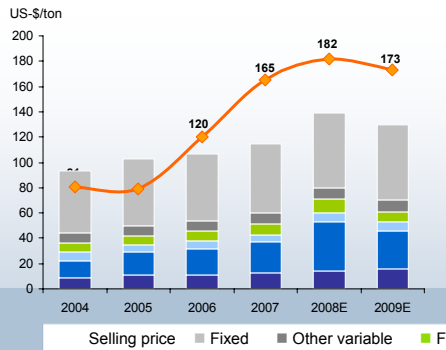


Source: FAO International Commodity Prices, monthly averages as of 2009-03-02

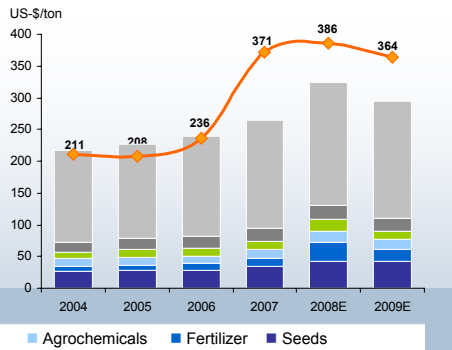
US Farmer Profit Margins Still Appealing



Corn US production costs vs. returns



Soybean US production costs vs. returns



Source: Global Insight, August 2008; 2009 data based on estimations of Bayer CropScience as of Nov 2008



■ Innovation Drives Strategic Agenda



Innovation Drives Strategic Agenda



Maintain Leading Position in Agrochemicals

- Achieve targeted €2 bn sales from new active ingredients
- Deliver strong pipeline of innovative agrochemicals
- Further improve product mix



Expand Seeds & Traits business

- Grow successful platform of oilseeds, cotton, rice and vegetable seeds
- Advance traits pipeline, based on modern breeding methods and plant biotechnology
- Migrate seeds portfolio to proprietary traits



CropScience Targets €2bn New Product Sales in 2009 – Two Years Earlier Than Originally Planned

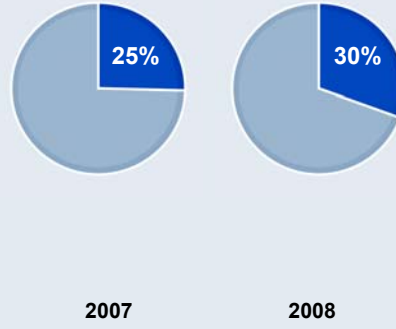


Sales of new active ingredients (A.I.s)

In € million



Share of new A.I.s in agchem sales*



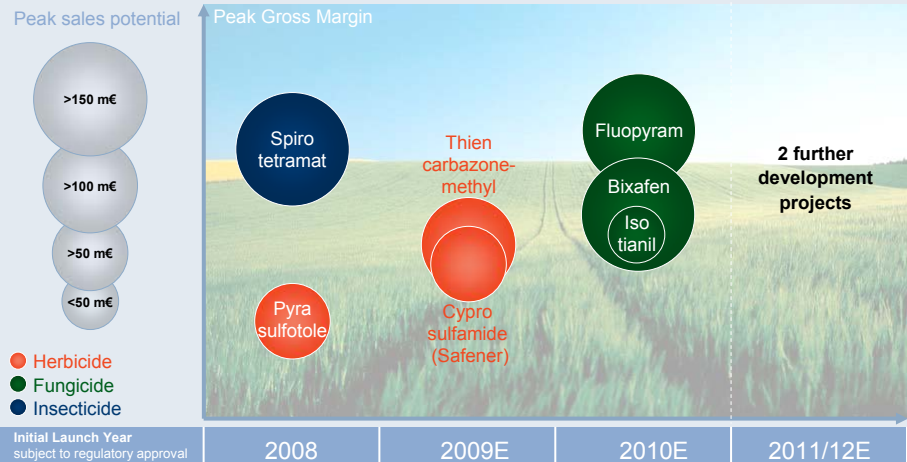
Agchem sales: include Crop Protection and Environmental Science, exclude BioScience business
 * Crop Protection only: 28.5% in FY'07, 33.5% in FY'08

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€1bn Peak Sales Potential in Mid-Term Pipeline



Active ingredients to be launched until 2012



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Thiencarbazone-methyl and Cyprosulfamide Further Strengthening our Herbicide Portfolio



- Thiencarbazone-methyl is a new sulfonyl-amino-carbonyl-triazolinone (SACT) for weed control in corn and cereals
- Ideal complementation of Thiencarbazone-methyl and Isoxaflutole in combination with new proprietary herbicidal safener Cyprosulfamide to provide additional crop selectivity
- Offering flexibility in application timing (pre- to early post-emergence)
- Excellent performance against a broad range of weed species in corn
- First approval received in Rumania in August 2008
Launch schedule*:
2009 USA, Canada, Hungary, Ukraine; 2010 Argentina

* subject to regulatory approval

ADENGO»»
CORVUS»»
Capreno



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Bixafen - New Cereal Fungicide with Blockbuster Potential



- Pyrazole fungicide from a new generation of SDH* inhibitors for foliar use in cereals
- Delivering higher yield benefits due to positive impact on plant physiology and efficient control of key cereal diseases including strobilurin resistant septoria
- The combination of Bixafen and Prothioconazole offers an unrivalled broad and long lasting disease control
- Mix products based on both A.I.s will represent a powerful new solution for the cereal market and are expected to further strengthen our excellent fungicide portfolio
- Launch** : 2010 UK, France, Ukraine, 2011 Germany...

* SDH = succinate dehydrogenase
** subject to regulatory approval



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Fluopyram – Our New Broad Spectrum Fungicide



- Pyridine fungicide from the new generation of SDH* inhibitors for foliar application and seed treatment use
- World-wide development in more than 70 specialty crops and industrial crops
- New chemical class providing an innovative option for resistance management and important element for mixing partner strategies within our fungicide portfolio
- Significantly reduced application rates and long-lasting efficacy against botrytis, powdery mildew and other diseases, also offering control of newly emerging diseases (e.g. brown spot on pears)
- Launch**: 2010 USA; 2011 EU...



* SDH = succinate dehydrogenase
** subject to regulatory approval

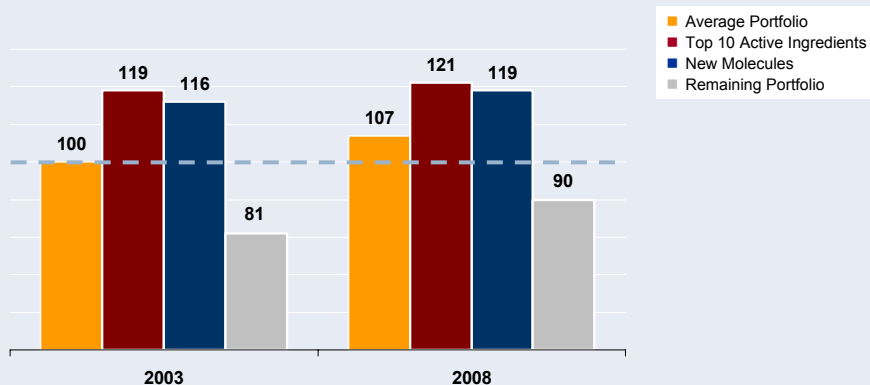
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Focus on Products with Higher Margin Contribution



Gross Margin Spread Bayer Crop Protection Portfolio 2008 vs. 2003

Index: Portfolio Average in 2003 = 100



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Innovation Drives Strategic Agenda



Maintain Leading Position in Agrochemicals

- Attain targeted €2 bn sales from new active ingredients
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Expand Seeds & Traits business

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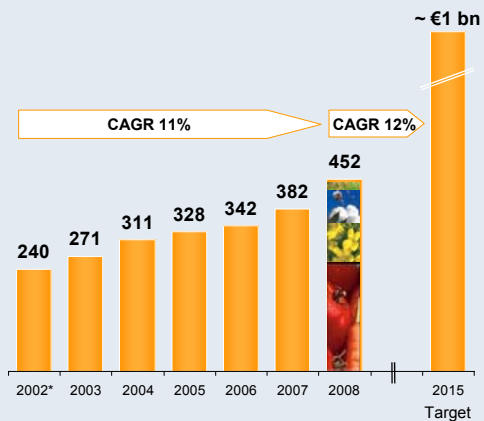
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We Intend to Grow BioScience Sales to About €1bn by 2015

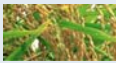





Accelerate Growth

In € million



CAGR 2002*-2008

BioScience overall	11 %
 Rice	38 %
 Cotton	25 %
 Canola	21 %
 Vegetables	6 %

* 2002 sales pro-forma combined sales of Bayer and Aventis CropScience

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Global Cotton Seed Business Growing Strongly

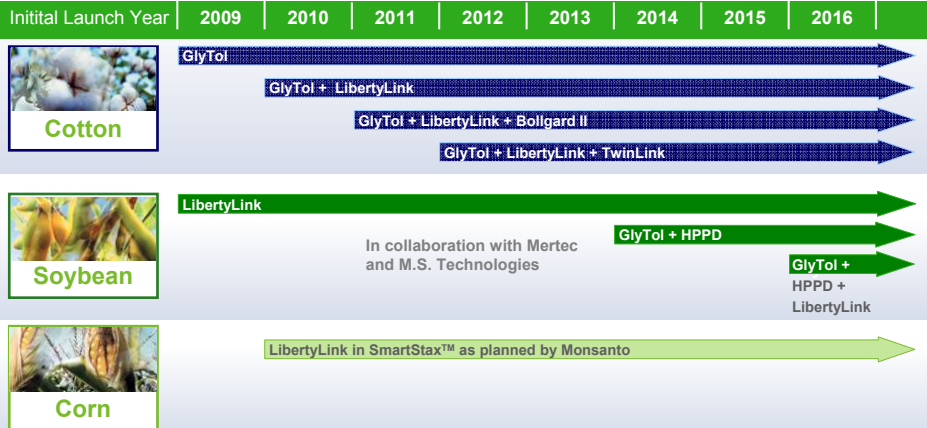


€ 96 million Sales in 2008 (+73% yoy Fx adj.)

- Strong sales growth despite negative market environment
- Successful integration of Stoneville® business and expansion of our FiberMax® and AFD® varieties in the US leading to market share gain (in terms of acres planted)
- Consolidation of our leadership position in Greece and Turkey; fast growing business in Brazil and Mexico; emerging presence in India
- Business expansion into further key markets
- Margin improvement through migration to inhouse glyphosate-tolerance trait (GlyTol) starting in 2009; first "dual" herbicide-tolerant trait worldwide in cotton to come in 2010
- Global cotton stocks on low levels should lead to increase in commodity prices mid-term



New Traits Offer Choices in Weed and Insect Resistance Management



GlyTol: glyphosate herbicide tolerance
 LibertyLink: glufosinate herbicide tolerance
 HPPD: hydroxy-phenyl-pyruvate dioxygenase herbicide tolerance
 TwinLink: Double Bt insect resistance
 Bollgard II: Bt insect resistance; Bollgard II is a registered trademark of Monsanto Technology LLC

LibertyLink® Technology Available in Key Crops Soybean, Corn, Cotton, Canola



2009 US launch of LibertyLink® soybeans technology

- More than 85 seed companies have licensed LibertyLink® herbicide-tolerant technology for soybeans to date and will offer new soybean varieties to US farmers in 2009; work continued with key germplasm providers to greatly broaden variety offerings for 2010 and beyond
- In 2009, LibertyLink® soybean seed available for approx. 400,000 hectares
- Only non-selective alternative to glyphosate-tolerant systems
- Comparable yield or yield benefit to current commercial varieties demonstrated in field tests
- Fully approved for use in food, feed and cultivation in the US and Canada; import approvals in China, the European Union and other key export markets



**LIBERTY
LINK**™ 

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- Continued Growth at High Margin



CropScience Outlook for 2009 Remains Cautiously Optimistic



- We plan to continue expanding sales in a generally favorable market environment
- We aim to maintain EBITDA margin before special items at the high level of 25%

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■ Appendix



Surface layer of leaves (cuticle)

CropScience: Key Financials 2008



In € million	FY 2008	FY 2007	Δ
Sales	6,382	5,826	+ 9.5 %
EBITDA underlying	1,603	1,324	+ 21.1 %
EBIT underlying	1,084	786	+ 37.9 %
Gross cash flow	1,192	961	+ 24.0 %
Net cash flow	736	1,040	- 29.2 %
CapEx	314	223	+ 40.8 %
Operating free cash flow	422	817	- 48.3 %
R&D	649	637	+ 1.9 %
Capital invested	8,547	8,394	+ 1.8 %
CFRoi	14.1 %	11.3 %	+ 2.8 pp

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Bayer CropScience at a Glance

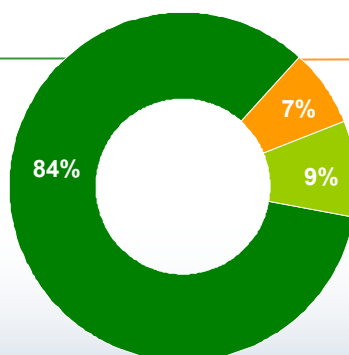


Crop Protection

€5,339m

Portfolio of Insecticides, Herbicides, Fungicides and Seed Treatment products

Best-in-class R&D pipeline



BioScience

€452m

Focus on 3 agricultural crops (cotton, canola and rice) and vegetable seeds

Environmental Science

€591m

Professional Products for weed and pest control in non-farm applications

Consumer products for gardeners and home-owners

Key figures 2008

Sales: €6,382m

EBITDA underlying: €1,603m (margin 25.1%)

Employees: 18,300

Operations in some 120 countries

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Bayer CropScience Sales by Region



North America

Sales: €1,396m (+5%)

Growth Drivers:

Increase of fungicides usage intensity, favorable performance of young products

LatAm/Africa/Middle East

Sales: €1,397m (+17%)

Growth Drivers:

Strong performance in Brazil, supported by young products and innovative mixtures

Europe

Sales: €2,625 (+10%)

Growth Drivers:

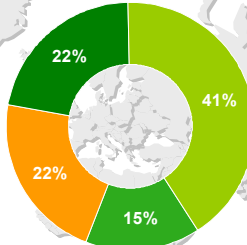
Fungicides and herbicides benefited from increase of cereal acreage

Asia/Pacific

Sales: €964 (+6%)

Growth Drivers:

India, SEA and China drove sales of insecticides and fungicides, drought relief in Australia

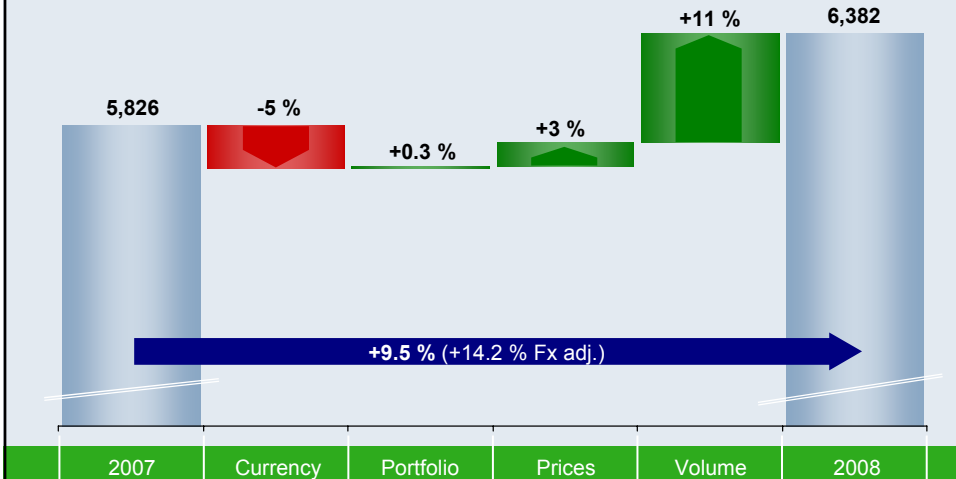


Sales 2008: €6,382m

Selling Prices and Volumes Drove 2008 Sales Expansion



In € million



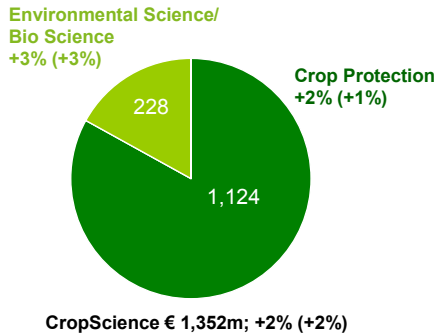
Fourth Quarter - Business Strength in Latin America and Asia



Q4'08 Sales

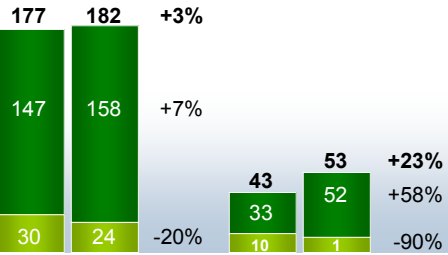
Q4'08 Earnings

In € million, Δ% y-o-y



Underlying EBITDA

Underlying EBIT



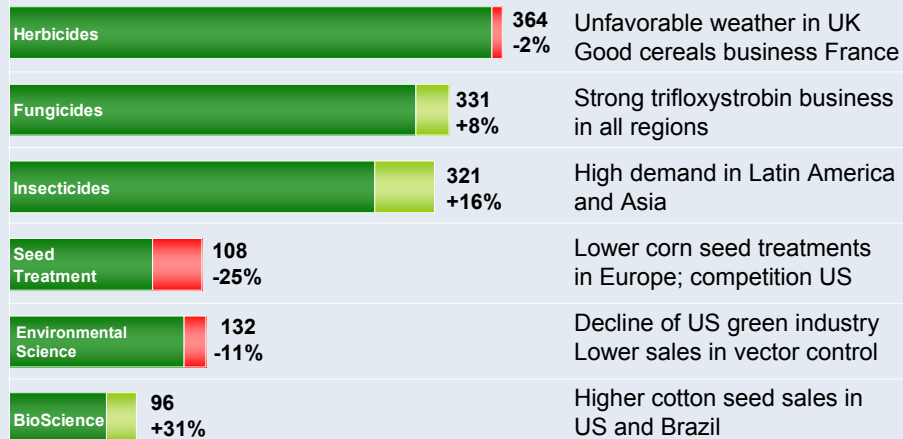
Q4'07 Q4'08 Q4'07 Q4'08

() Currency & portfolio adjusted

Fourth Quarter Sales by Segment



Sales in € million ■ Q4'07 ■ Growth / Decline Q4'08 ■ Q4'08 % yoy

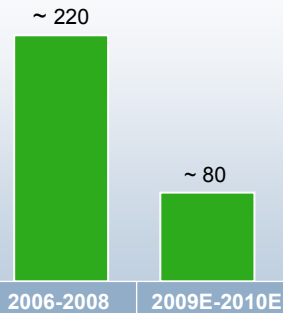


Restructuring Actions to Improve the Cost Base



Savings contributions from our performance program "NEW"

In € million



- Approx. €300m savings p.a. targeted with new efficiency initiative
- Expected cash charge of approx. €330m along with write-downs of about €120m
- In 2008 fresh savings of about €90m achieved; special items of €166m
- In 2009 approx. €80-90m charges expected; to be booked as special items
- Saving measures largely completed by 2009; full EBIT impact in 2010

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Optimization of Production Network



- Consolidation of production network close to completion
- Increased production and higher efficiency at remaining sites
- Debottlenecking and investments into key manufacturing sites to take advantage of market demand. Examples:
 - Glufosinate-ammonium
 - New fungicide active ingredients
- 2008 capital expenditures of €314m 2009E on the same level

Consolidated manufacturing base



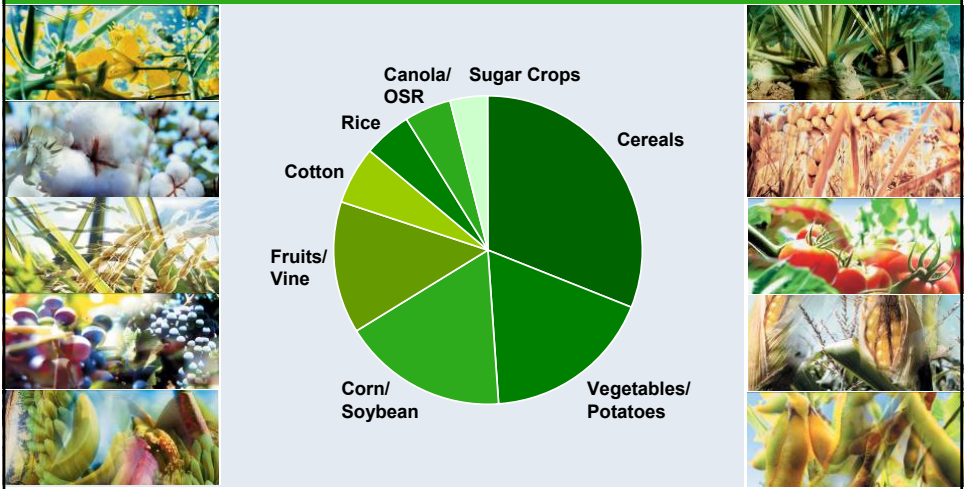
* pro-forma: Bayer + Aventis CropScience

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Cereals A Major Part of Our Portfolio



2008 Bayer CropScience Sales Split by Major Crop Groups*

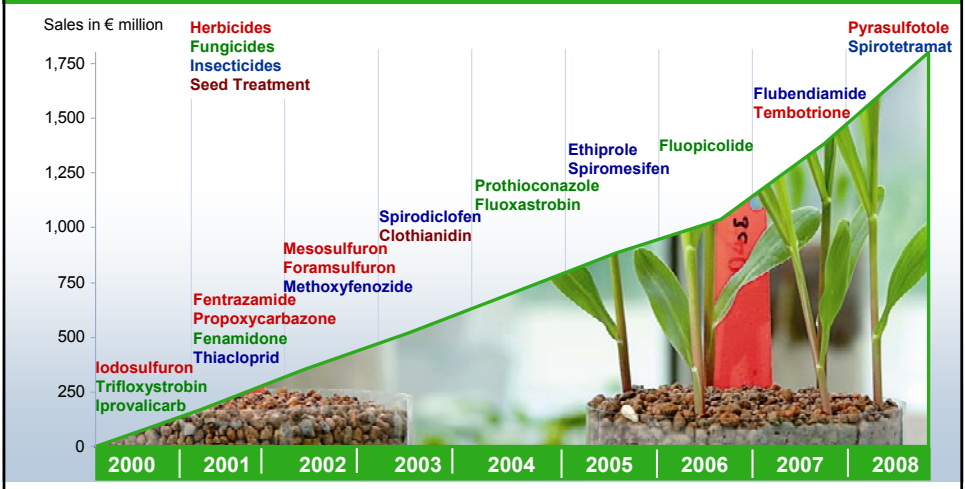


*excluding industrial business, non-agricultural solutions and non-key crops
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Proven Track-Record of Innovation



Launch of 21 new active ingredients launched since 2000



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New Solutions for Pest and Weed Control Successfully Launched in 2008



✓ Spirotetramat

- Highly effective insecticide against broad spectrum of sucking pests
- New mode of action, two-way systemicity
- Launched in first major markets US, Canada
Launch in Brazil expected 2009*



✓ Pyrasulfotole

- New herbicide for reliable control of broadleaved weeds
- Great portfolio fit strengthens our position in the cereal herbicide segment
- Launched in first major markets US, Canada, Australia



* subject to regulatory approval

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Isotianil provides a New Option to Combat Rice Blast



- New isothiazole carboxamide fungicide
- Effective against *Pyricularia fungus* which causes rice blast, the world's most economically significant disease in rice
- Stimulates the plant's self-defense ability (resistance-inducer)
- Highly effective against the disease at low application rates
- Can be used in rice nursery box (Japan) and seed treatment
- Jointly developed by Bayer CropScience and Sumitomo Chemical
- Launch schedule*: 2010 Japan, Taiwan, Korea...



* subject to regulatory approval

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Reporting Events and AGM



Date	Event	Publication
Tuesday, March 3, 2009	Investor Conference Call	2008 Annual Report
Wednesday, April 29, 2009	Investor Conference Call	First Quarter Results Stockholders' Newsletter
Tuesday, May 12, 2009	Annual General Meeting	
Tuesday / Wednesday June 2 / 3, 2009	Meet Management Conference	
Wednesday, July 29, 2009	Investor Conference Call	Second Quarter Results Stockholders' Newsletter
Tuesday, October 27, 2009	Investor Conference Call	Third Quarter Results Stockholders' Newsletter

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