

Our Mission – Innovation and Customer Value



Science For A Better Life

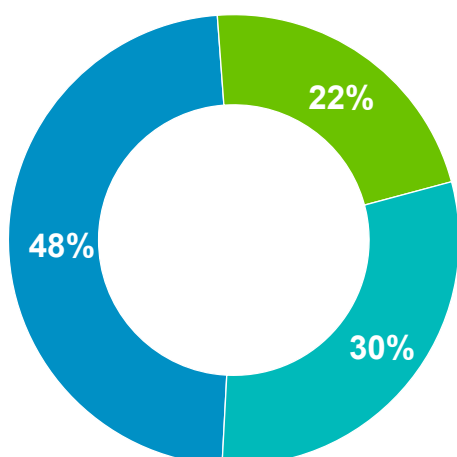
Science / Innovation

- **Bayer is an innovation company**
 - With a strong “innovation portfolio”
 - Addressing new growth areas
 - Capable of identifying and using breakthrough innovations
- **Bayer is innovative in many ways:**
Products, technologies, processes, business models, strategies

Better Life

- Bayer products improve the quality of people’s lives
- Bayer has an excellent understanding of human, animal and plant health, as well as of high-quality materials
- Respect for people and nature is an essential part of our values

Our Business Portfolio – Leading in Its Markets



Sales 2012: €39.7bn

€18.6bn | **HealthCare**
Pharmaceuticals €10.8bn, leading positions in core indications

Consumer Health €7.8bn, OTC pharmaceuticals, blood glucose meters, contrast media and veterinary medicines, global #2-5

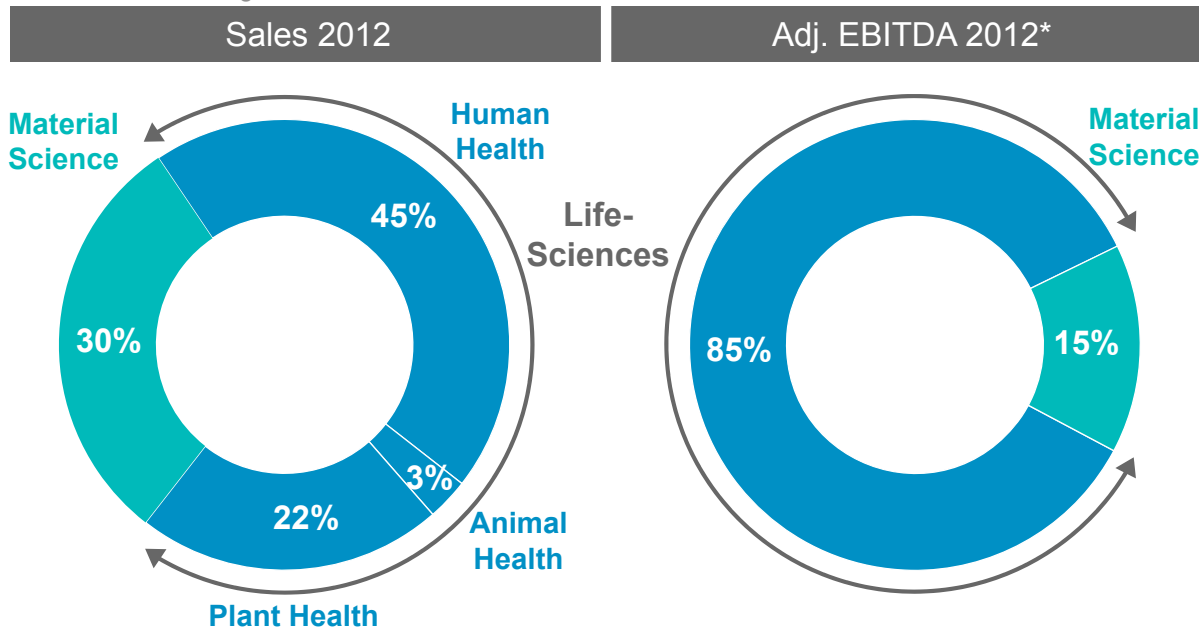
€8.4bn | **CropScience**
Chemical crop protection & biologicals, global #2, seeds & traits

€11.5bn | **MaterialScience**
Polyurethanes and polycarbonates, global #1/2

We are Generating the Vast Majority of our Business in the Life-Sciences



Breakdown excluding Reconciliation

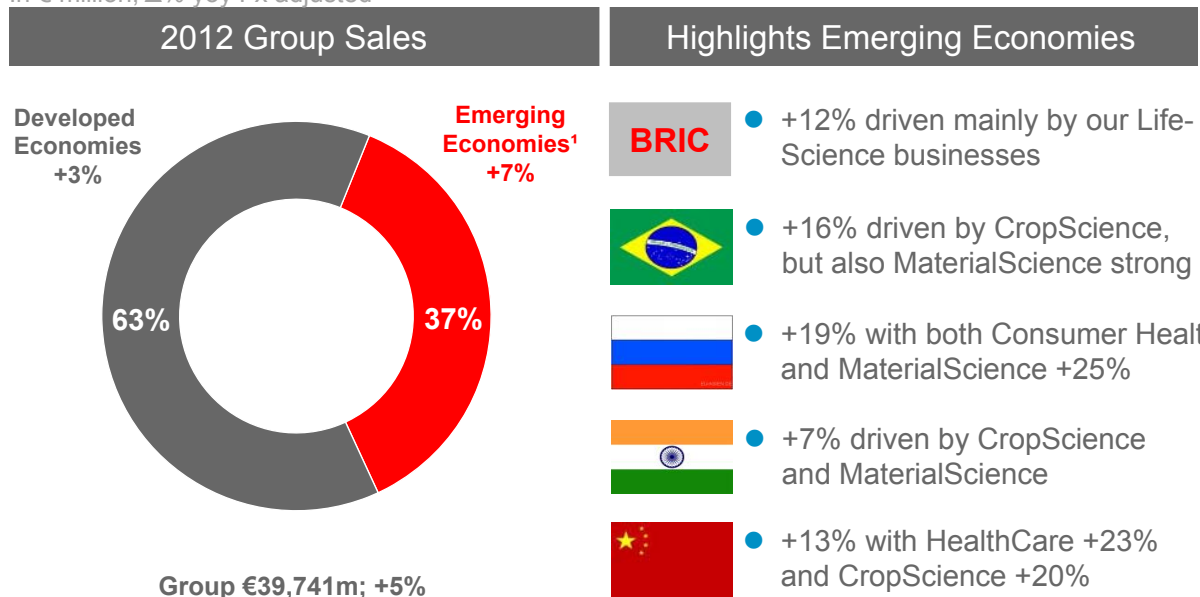


*EBITDA before special items

Strong Presence in the Emerging Markets

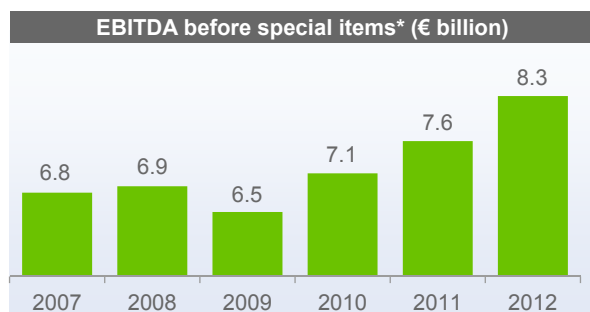
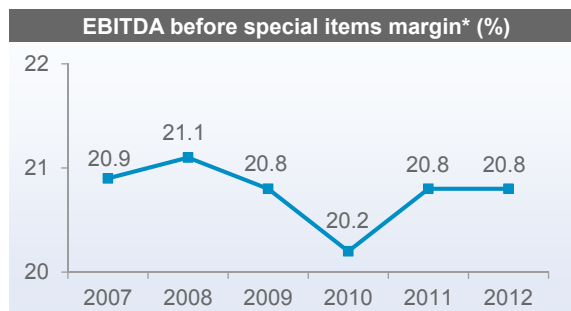
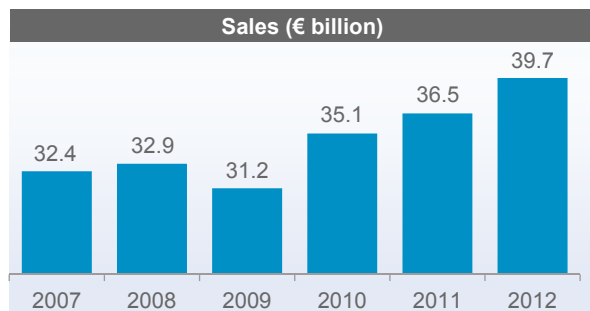


In € million, Δ% yoy Fx adjusted



¹ Emerging economies include: Latin America, Asia w/o Japan, Australia, New Zealand, Africa and Middle East incl. Turkey, Eastern Europe

Our Track Record – Delivered Growth and Performance



* 2007 - 2008 from continuing operations

Q1 2013

Life-Science Businesses Off To A Good Start

Q1 2013 – Total Group: Life-Sciences Commence Positively



Sales

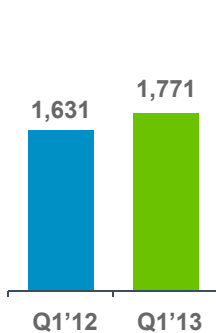
in € million
% currency & portfolio adj.



+4%

EBIT

in € million



+9%

EBITDA

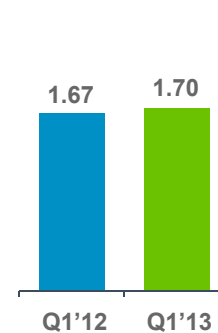
adjusted*
in € million



0%

Core EPS

in €



+2%

Full Year 2013 Outlook Projects Further Growth And Higher Earnings



Sales Δ Fx and portfolio adjusted, EBITDA before special items

	2012	Δ vs. 2011	2013e
Sales	€39.7bn	+5%	+4-5% to ~€41bn*
adj. EBITDA	€8.3bn	+9%	mid-single-digit % increase
Core EPS	€5.30	+10%	high-single-digit % increase

7% 2012 CAGR 2015e

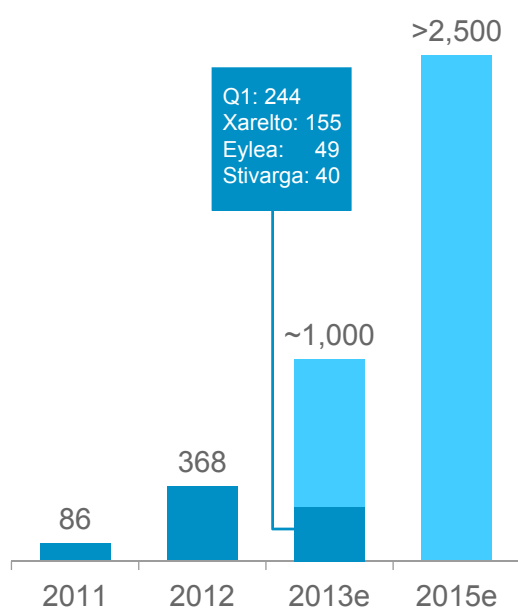
Pharma: Sales Growth Acceleration Driven by New Products & Emerging Markets

Page 9 • Bayer Investor Handout • Q1 2013

Pharma – New Products Drive Growth and Rejuvenate Portfolio



Sales from new Pharma pipeline in €m



- Strong launch execution, targeting ~€600m sales in 2013



- Roll-out in wAMD underway, approval in CRVO 2H 2013e



- Launched in US and Japan, CHMP opinion 1H 2013e



- Approved in the US, filed in EU (Dec. 2012)



- Submitted for PAH and CTEPH (Feb. 2013), priority review in the US

Page 10 • Bayer Investor Handout • Q1 2013

CTEPH: chronic thromboembolic pulmonary hypertension; CRVO: central retinal vein occlusion; PAH: pulmonary arterial hypertension; wAMD: wet age-related macular degeneration

Xarelto – Development in Selected Markets



Status as of mid May 2013



Germany: most successful launch ever in the cardiovascular market; market share¹ at ~33% (dabigatran ~11%, apixaban ~1%)



Japan: 2-week prescription limitation lifted end of April 2013; market share² at ~16% (market share as of 1st of April: 9%)



France: Xarelto maintained leadership over dabigatran; market share¹ increased to ~17% (dabigatran ~16%)



Brazil: successful launch; market share³ ~37% (dabigatran ~17%); Xarelto with 45% new patients and 55% switchers



Switzerland: excellent launch performance, making Xarelto the No. 1 in the retail market for anticoagulants; market share at ~34%



US⁴: steady uptake; surpassing warfarin in NBRx share in the cardiology AC market: Xarelto at ~38% (warfarin ~36%, dabigatran ~12%, apixaban ~ 14%)

Xofigo – A New Treatment for CRPC Patients with Bone Metastases



Xofigo®
radium Ra 223 dichloride injection



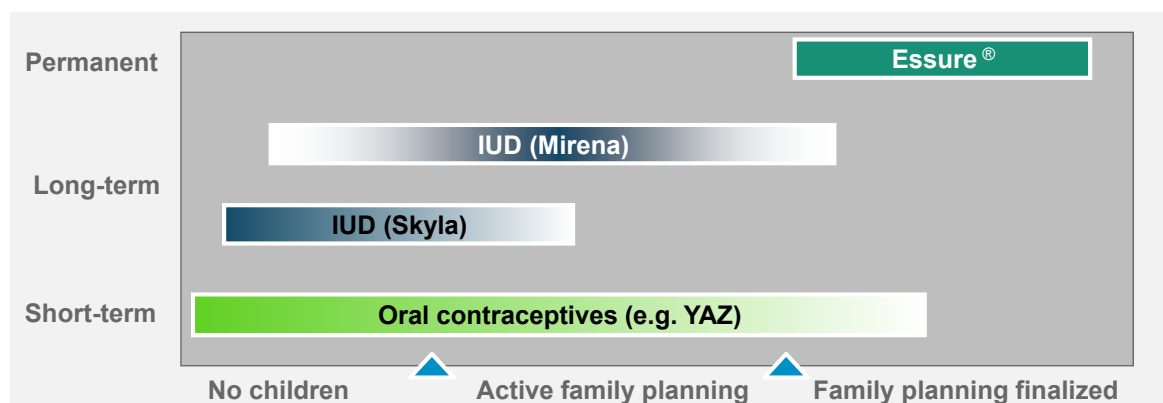
- ~900,000 men diagnosed with prostate cancer worldwide, up to 90% of patients with CRPC develop bone metastases¹
- First in class alpha-pharmaceutical delivering high energy, short ranging alpha-particles
- 44% improvement in overall survival in phase III trial
 - Demonstrated delay in time to first skeletal-related event
- Approved in the US for CRPC with symptomatic bone metastases and no known visceral metastatic disease
- Submitted for CRPC in Europe (Dec 2012)

Global peak sales potential ≥ €1bn

Strengthening Women's Health Business – Acquisition of Conceptus, Inc.



- Bayer successfully completed the public tender offer to acquire all shares in Conceptus for \$31/share (>90% tendered, transaction value of ~\$1.1bn)
- US-based company developing the Essure® procedure, the leading non-surgical permanent birth control method proven by >700,000 procedures
- Significant synergies expected from leveraging existing business power



#1

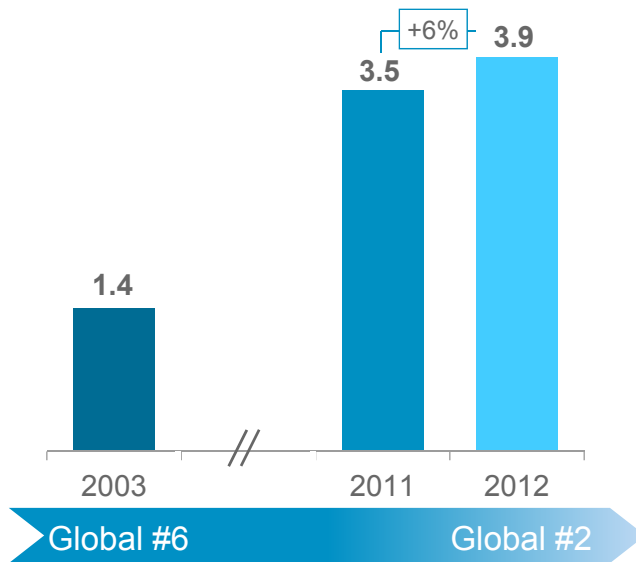
Aspire to Become the Leading OTC Company

Consumer Care – Aspire to Become the World-Leading OTC Company



In € billion, Δ% yoy Fx adjusted

Sales Development*



- Built global #2 position through combination of organic growth and targeted acquisitions
- Track record of performance – continued to gain share in 2012
- Product portfolio of some of the world's most recognized brands
- Further growth opportunities in selected emerging markets

Strong Consumer Brands Build Equity for Decades



Brands	Years Old	2012 Sales €m	3-Year CAGR
	113	970*	7%
	81	197#	12%
	78	101	1%
	69	196	5%
	68	269	12%
	40	250	9%
	19	323	12%

Innovation at OTC – New Product Development with Aspirin



Strengthening Our OTC Business – Bayer to Acquire Steigerwald GmbH



- Bayer launched an offer to acquire Steigerwald Arzneimittelwerk GmbH, with closing expected at the beginning of July 2013*
- Steigerwald generated net sales of €61.3m in 2012 (~90% in Germany)
- Steigerwald produces herbal drugs, its 2 core brands make ~90% of sales
- Significant sales synergies expected due to our complementary CC business

Iberogast®

- Treatment of functional dyspepsia & irritable bowel syndrome



Laif®

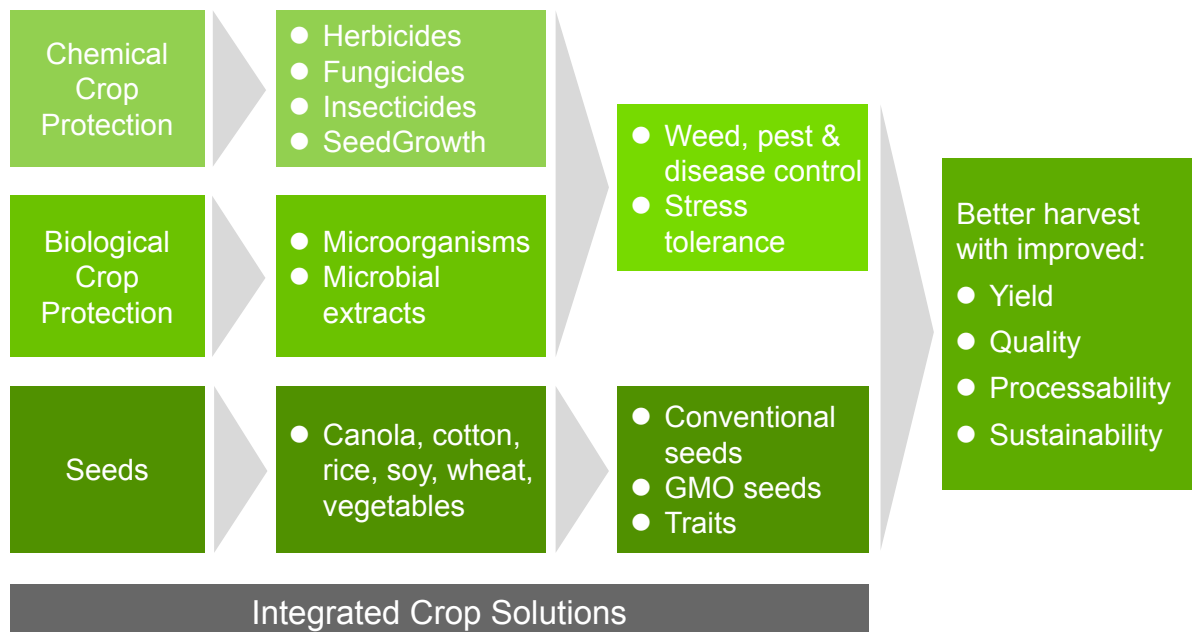
- St John's wort based medicine for treatment of depression



6% 2012 CAGR 2015e

CropScience: Targeting Above Market Growth at Benchmark Profitability

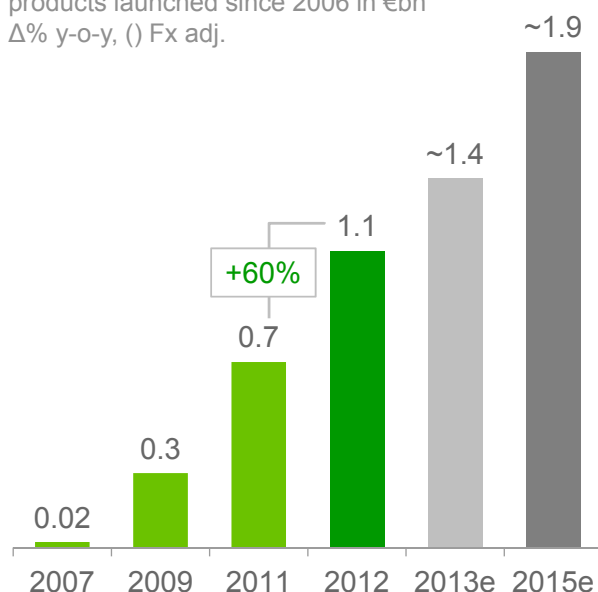
Leading the Way in Integrated Crop Solutions



CropScience – Translate R&D Effectively into New Product Sales



Sales from new Crop Protection products launched since 2006 in €bn
 Δ% y-o-y, () Fx adj.



2012 Highlights

- Xpro (+61%) - New cereal fungicide with yield-boosting effect
- Adengo herbicide family (+85%) - Excellent weed control in corn and cereals, also in case of glyphosate resistance
- Belt (+54%) - Broad-spectrum insecticide with fast and long-lasting action
- Launch of Luna fungicide in the US
- First launch of new SeedGrowth family EverGol/Emesto in Canada

Bolt-on Acquisitions to Strengthen CropScience Portfolio



		Region	Technology	Product / Portf.
Biologics	● AgraQuest (07/12) ~€375m	> 30 countries	Biologics	Fungicides Insecticides
	● Prophyta (01/13) €25m (provisional)	Germany	Biologics	Fungicides Nematicides
Seeds	● Wehrtec, Wehrmann (03/13) €37m + milestones	Brazil	Seeds Germplasm	Soybean
	● Abbott & Cobb (07/12) ~€43m	US	Seeds	Watermelon Melon
	● Hornbeck (04/11) €30m	US	Seeds, Breeding Germplasm	Soybean
	● Raps GbR (10/11) €26m	Europe	Seeds, Breeding	Oilseed rape

CFROI ↑

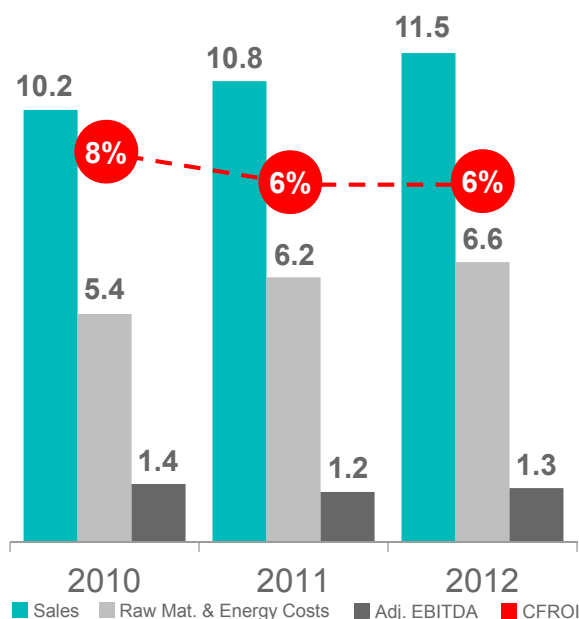
MaterialScience: Aspire to Earn a Premium Over Cost of Capital

Page 23 • Bayer Investor Handout • Q1 2013

Selling Price Increases & Savings Not Sufficient to Protect Earnings



In € bn



- Market growth trends intact, key products with mid-single digit volume growth
- High raw material prices and significant capacity additions led to global overcapacities and margin pressure
- Going forward demand & supply balance expected to improve
- Anticipated margin improvement supported by fresh savings from new efficiency initiative

Page 24 • Bayer Investor Handout • Q1 2013

Profitability Improvement Through New Efficiency Initiative Until 2015



- New efficiency initiative improves cost structure and increases adjusted EBITDA margin by 150bp
- Initiative comprises more than 100 measures across the entire value chain

Examples	
Business Units	<ul style="list-style-type: none">• Consolidation of system houses• Pricing excellence programs
Organization	<ul style="list-style-type: none">• Optimization of regional structures (e.g. Canada & US)
Production	<ul style="list-style-type: none">• Further initiatives to improve asset productivity (e.g. maintenance schedules, engineering setup)
Supply Chain	<ul style="list-style-type: none">• Optimization of logistics services
Selling & Administration	<ul style="list-style-type: none">• Further reduce costs by leveraging established global ERP platform and standardized processes

150 years

... and Optimistic for Future Developments

Solid Start to 2013 – Track Record of Performance Expected to Continue



- Business performance predominantly driven by HealthCare and CropScience contributing 70% of sales and 85% of earnings
- Significant new product opportunities at our Life-Science businesses
- Continued strong emerging markets business momentum
- Full-year 2013 group outlook projects higher sales and earnings
- Aspire to grow HealthCare and CropScience by 6% CAGR until 2015



Appendix

HealthCare – Building Growth Momentum, Improving Margins



Sales Δ Fx & portf. adjusted, margin = EBITDA before special items to sales

Priority	2012	Target 2013*	Aspiration 2015
<ul style="list-style-type: none"> HealthCare: Accelerate sales growth 	€18.6bn	mid-single-digit % to ~€19bn	CAGR ~6% towards €22bn
<ul style="list-style-type: none"> Pharma: Successfully commercialize new products and realize emerging markets (EM) opportunity <ul style="list-style-type: none"> New product sales¹ EM growth 	€10.8bn €368m 7.3%	mid-single-digit % to ~€11bn ~€1bn high-single digit %	CAGR ~7% towards €13bn >€2.5bn high-single digit %
<ul style="list-style-type: none"> Consumer Health: Aspire to become #1 OTC company 	€7.8bn	mid-single-digit % to ~€8bn	~€9bn
<ul style="list-style-type: none"> HealthCare: Improve margins <ul style="list-style-type: none"> Pharma Consumer Health 	27.5% 29.9% 24.2%	slightly up slightly up at level	towards 29% ≥31% ~25%

¹ Xarelto, Eylea, Stivarga, Radium-223 dichloride and Riociguat; subject to regulatory approval

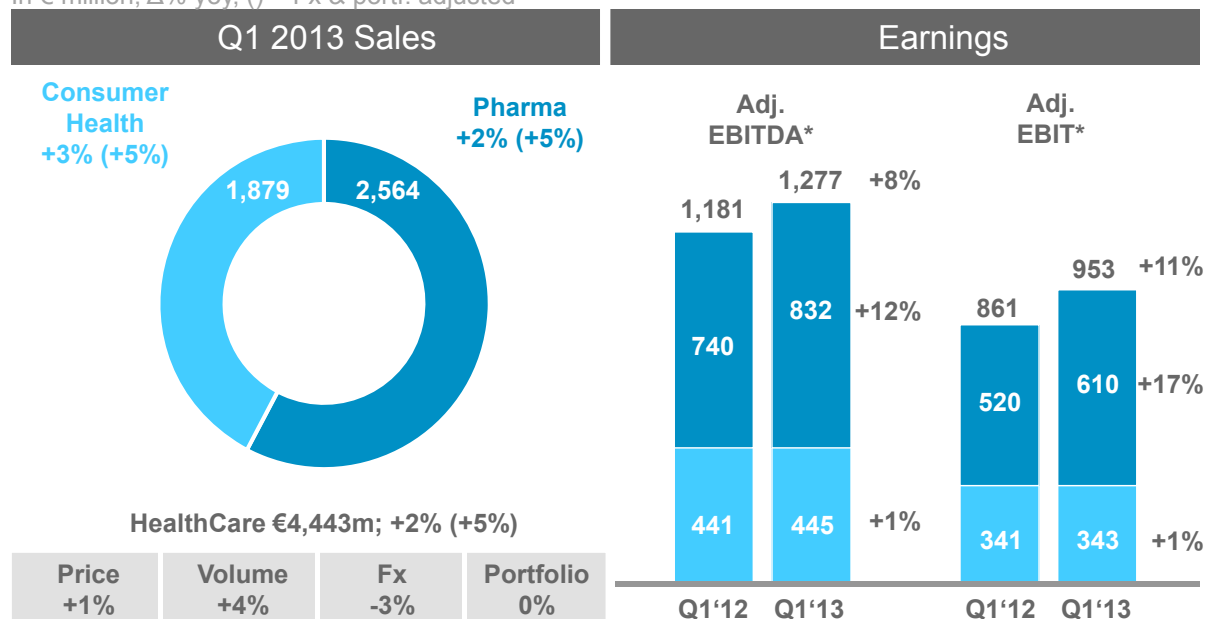
*Assuming Fx rate of \$1.29 per €

Outlook depends on specific planning assumptions as detailed in the Annual Report

Q1 2013 – HealthCare: New Products and Consumer Care Drive Growth



In € million, Δ% yoy, () = Fx & portf. adjusted

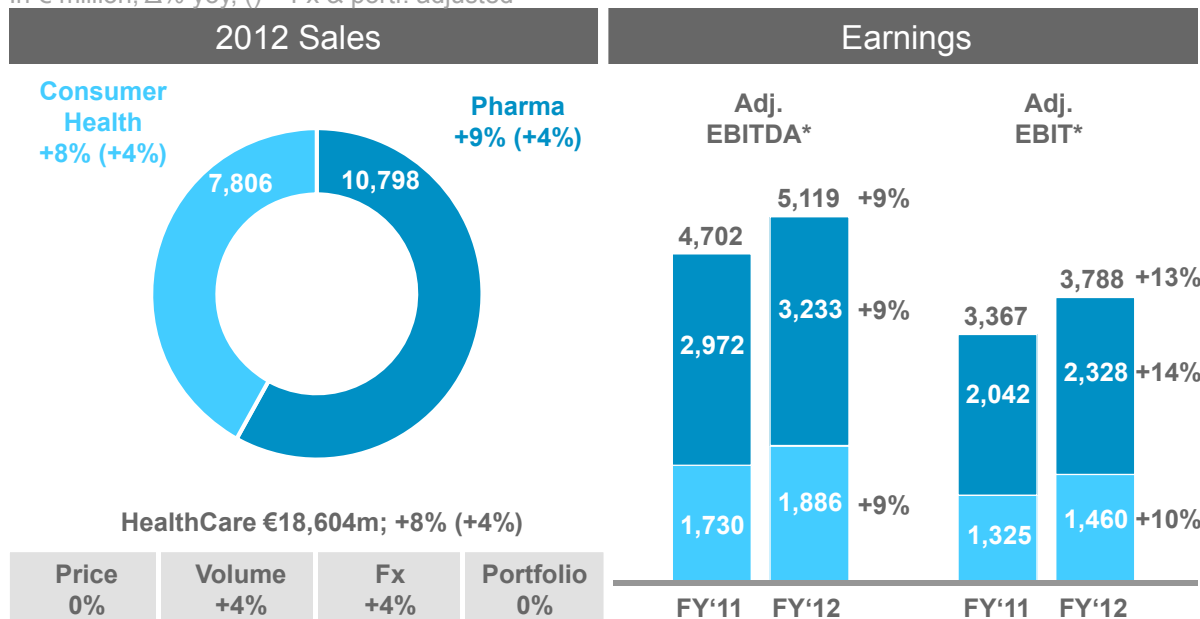


*before special items

Full Year 2012 – HealthCare



In € million, Δ% yoy, () = Fx & portf. adjusted



*before special items

CropScience – Above Market Growth at Benchmark Profitability



Sales Δ Fx & portf. adjusted, margin = EBITDA before special items to sales

Priority	2012	Target 2013*	Aspiration 2015
• Above-market sales growth	+12.4% to €8.4bn	high-single digit % towards €9bn	CAGR ~6% towards €10bn
• Translate R&D effectively into new product sales (CP products launched since 2006)	€1.1bn	~€1.4bn	~€1.9bn
• Extend seeds footprint	+14%	double-digit % growth	double-digit % growth p.a.
• Maintain industry leading profitability level	24.2%	slight improvement	~24%

CP: Crop Protection

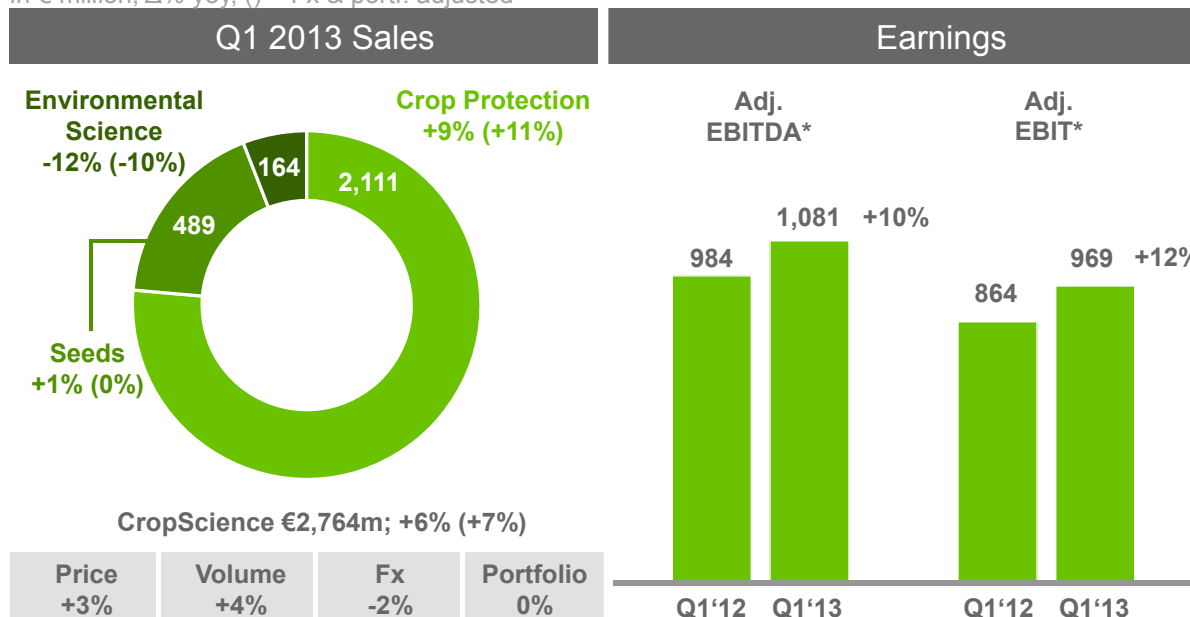
*Assuming Fx rate of \$1.29 per €

Outlook depends on specific planning assumptions as detailed in the Annual Report

Q1 2013 – CropScience: Continuously Strong In Favorable Market Environment



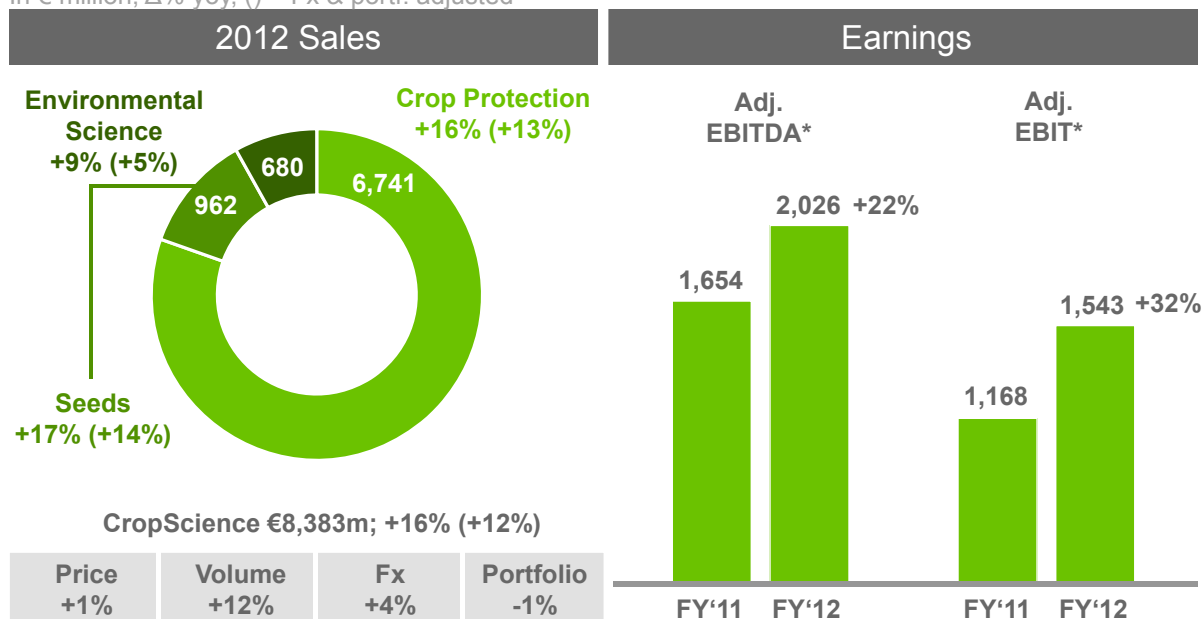
In € million, Δ% yoy, () = Fx & portf. adjusted



Full Year 2012 – CropScience



In € million, Δ% yoy, () = Fx & portf. adjusted



MaterialScience – Higher Asset Utilization & Efficiency Measures Are Driving Performance



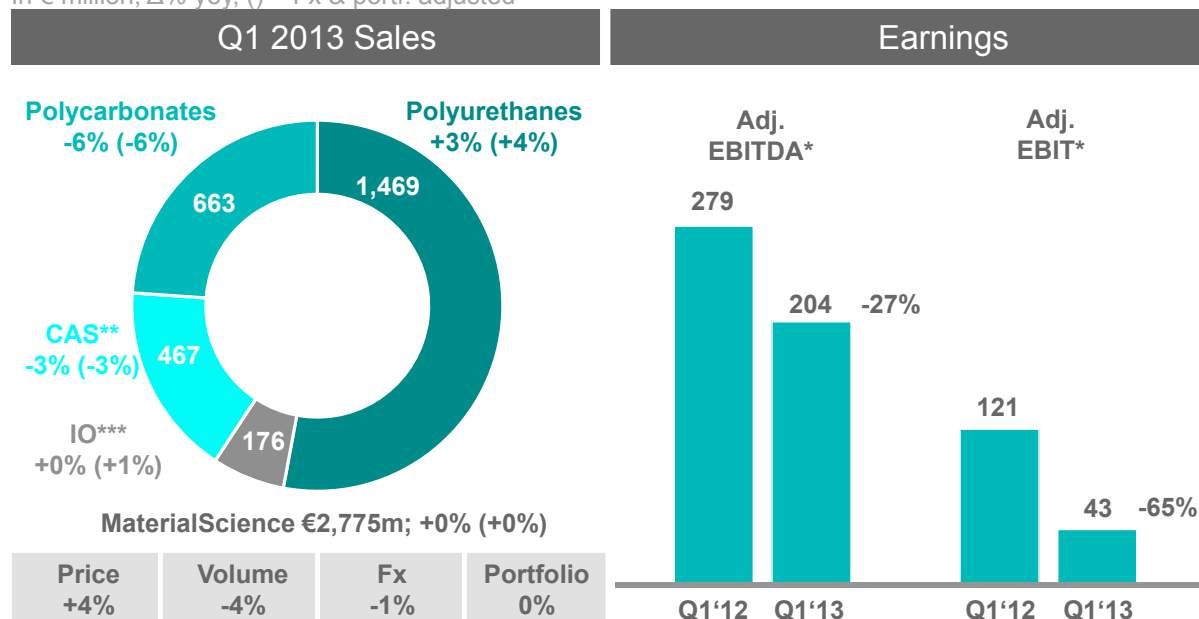
Sales Δ Fx & portf. adjusted, margin = EBITDA before special items to sales

2012	Target 2013	Aspiration 2015
<ul style="list-style-type: none"> • Sales +2.9% to €11.5bn (volumes +2%) • Adj. EBITDA +8% to €1,262m • CFROI# 5.7% < WACC 7.1% 	<ul style="list-style-type: none"> • Sales to slightly increase to ~€12bn • Adj. EBITDA to match 2012 figure • Q2'2013 vs Q1'2013: Sales to increase and adj. EBITDA to significantly increase 	<ul style="list-style-type: none"> • Grow business (volume) above global GDP • Defend market leading positions in PCS and PUR • Realize 150 bp margin contribution through new efficiency initiative • Optimize asset structure in Germany • CFROI# > WACC

Q1 2013 – MaterialScience: Cost Pressure Prevented A Better Performance



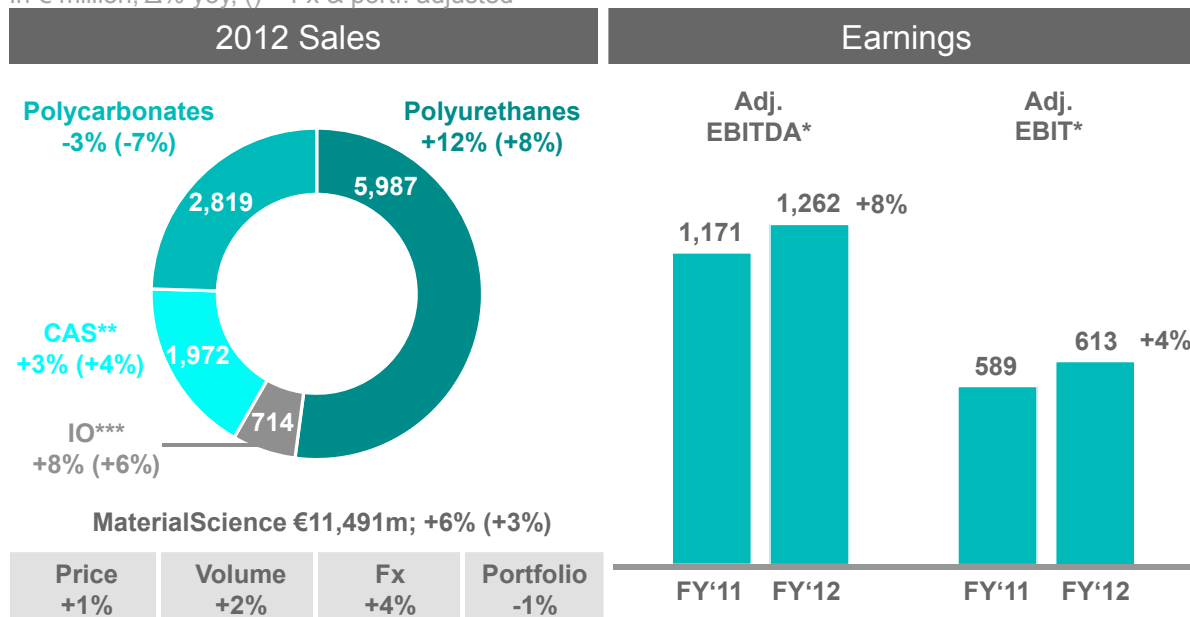
In € million, Δ % yoy, () = Fx & portf. adjusted



Full Year 2012 – MaterialScience



In € million, Δ% yoy, () = Fx & portf. adjusted

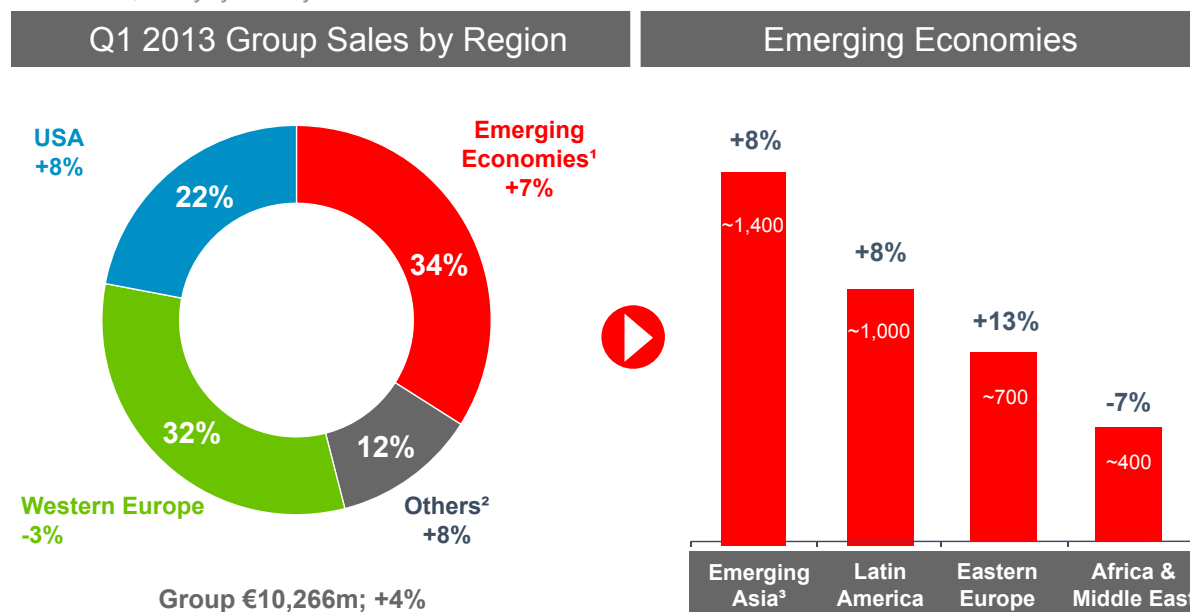


*before special items
 **CAS: Coatings, Adhesives, Specialties
 *** IO: Industrial Operations

Q1 2013 – Regional Performance: Growth Led by USA and Emerging Economies



In € million, Δ% yoy Fx adjusted

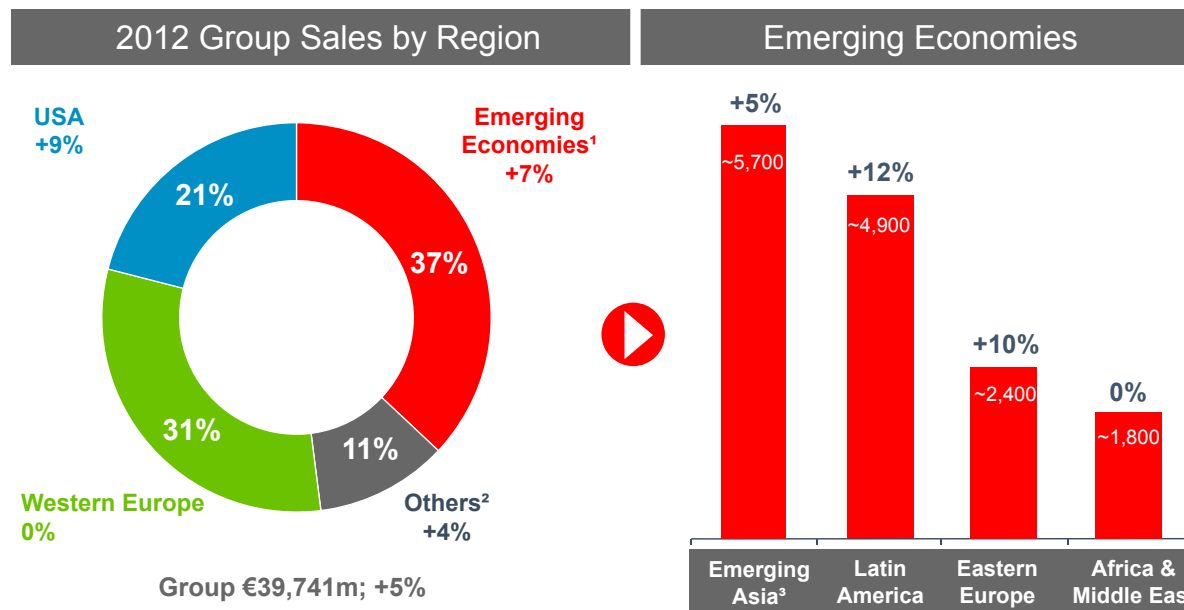


¹ Emerging economies include: Latin America, Asia w/o Japan, Australia, New Zealand, Africa and Middle East incl. Turkey, Eastern Europe
 ² Others = Japan, Australia, New Zealand, Canada
 ³ Emerging Asia = Asia w/o Japan, Australia, New Zealand

Full Year 2012 – Regional Performance



In € million, Δ% yoy Fx adjusted

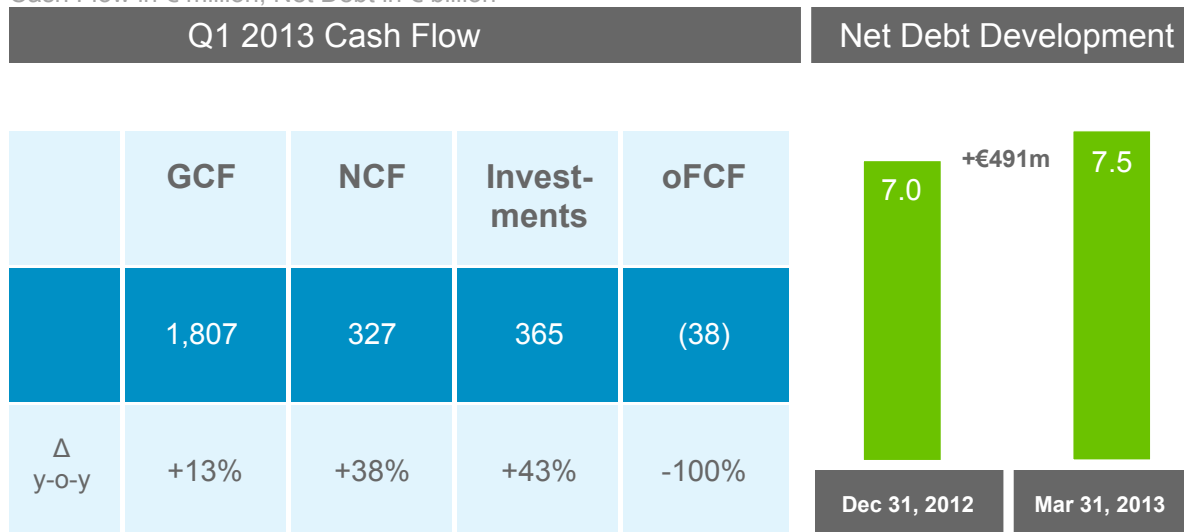


¹ Emerging economies include: Latin America, Asia w/o Japan, Australia, New Zealand, Africa and Middle East incl. Turkey, Eastern Europe
² Others = Japan, Australia, New Zealand, Canada
³ Emerging Asia = Asia w/o Japan, Australia, New Zealand

Q1 2013 – Cash Flow And Net Debt Development



Cash Flow in € million, Net Debt in € billion



Full Year 2012 – Cash Flow and Net Debt Development



Cash Flow in € million, Net Debt in € billion

