

# Bayer CropScience

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*Aventis CropScience*

# Selected Agrochemical Transaction Multiples

Target	Bidder	Announcement date	Firm value (mm)	TM Sales
Rohm and Haas	Dow	March 2001	\$ 1,000	1.9 x
Cyanamid (1)	BASF	March 2000	\$ 3,885	2.3 x
Cyanamid	BASF	March 2000	\$ 3,885	2.1 x
ISK Fungicides	Zeneca	December 1997	\$ 500	2.1 x
<b>Agbiotech</b>				
Mycogen - 30% not owned	Dow	September 1998	\$ 307	4.8 x
Protein Technologies Intl	DuPont	August 1997	\$ 1,500	3.6 x
<b>Seeds</b>				
Pioneer Hi-Bred	DuPont	March 1999	\$ 7,700	5.1 x
Cargill International seed business	Pharmacia	August 1998	\$ 1,400	4.7 x
DeKalb - 60% not owned	Pharmacia	May 1998	\$ 2,300	8.1 x
<b>Aventis CropScience</b>	<b>Bayer</b>	<b>2001</b>	<b>€ 7,250</b>	<b>1.8 x</b>

Crop Protection

(1) Excludes one-time 1999 costs of a US inventory buyback to reduce distributors stock - US\$ 175m in sales and US\$ 135m EBIT

Source: Deutsche Bank

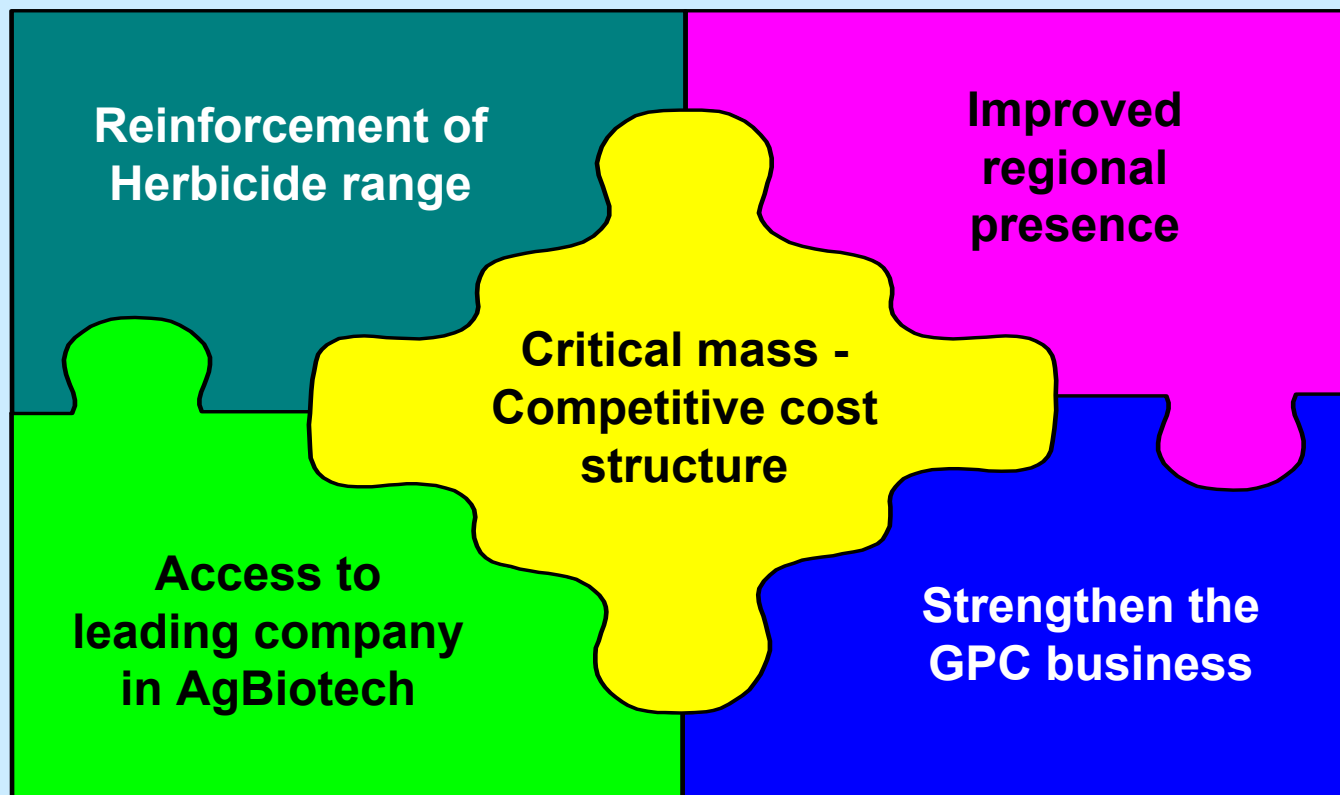



# Bayer CropScience - A Separate Legal Entity

The separate legal entity will be the best platform to ...

- allow a fast integration of both activities
- set up a flexible and market driven organization
- guarantee best identification for both Bayer and ACS employees
- realize synergies quickly

# Strategic Rationale for Acquisition of Aventis CropScience

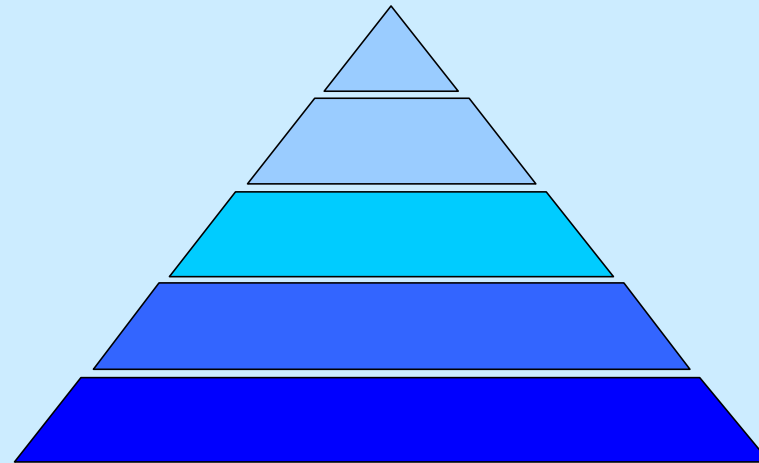


 **Ability to offer complete solutions to our customers in all key markets !**

# Bayer's Strategic Intent: Become the Leading CropScience Company

## Crop Protection

(Insecticides, Fungicides, Herbicides, GPC)



## Seeds

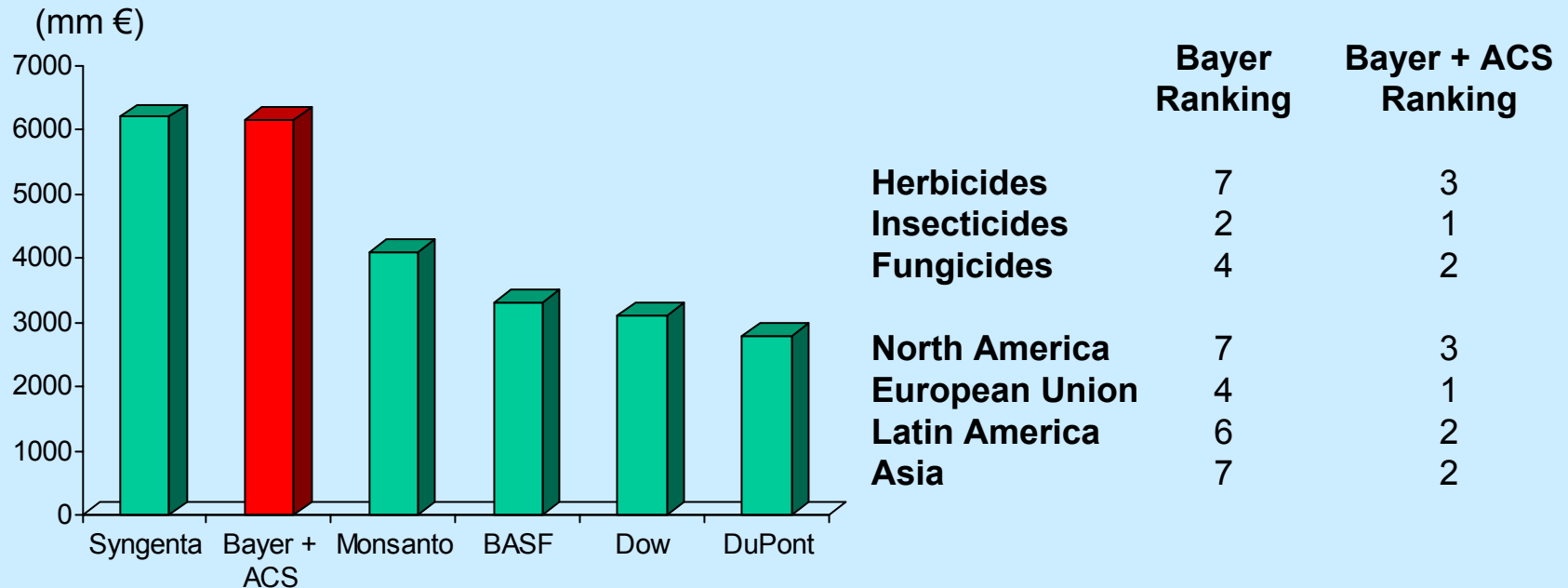
(Breeding Know-how,  
Lucrative Niches)

## Green

## Biotechnology

(Input Traits, Output Traits)

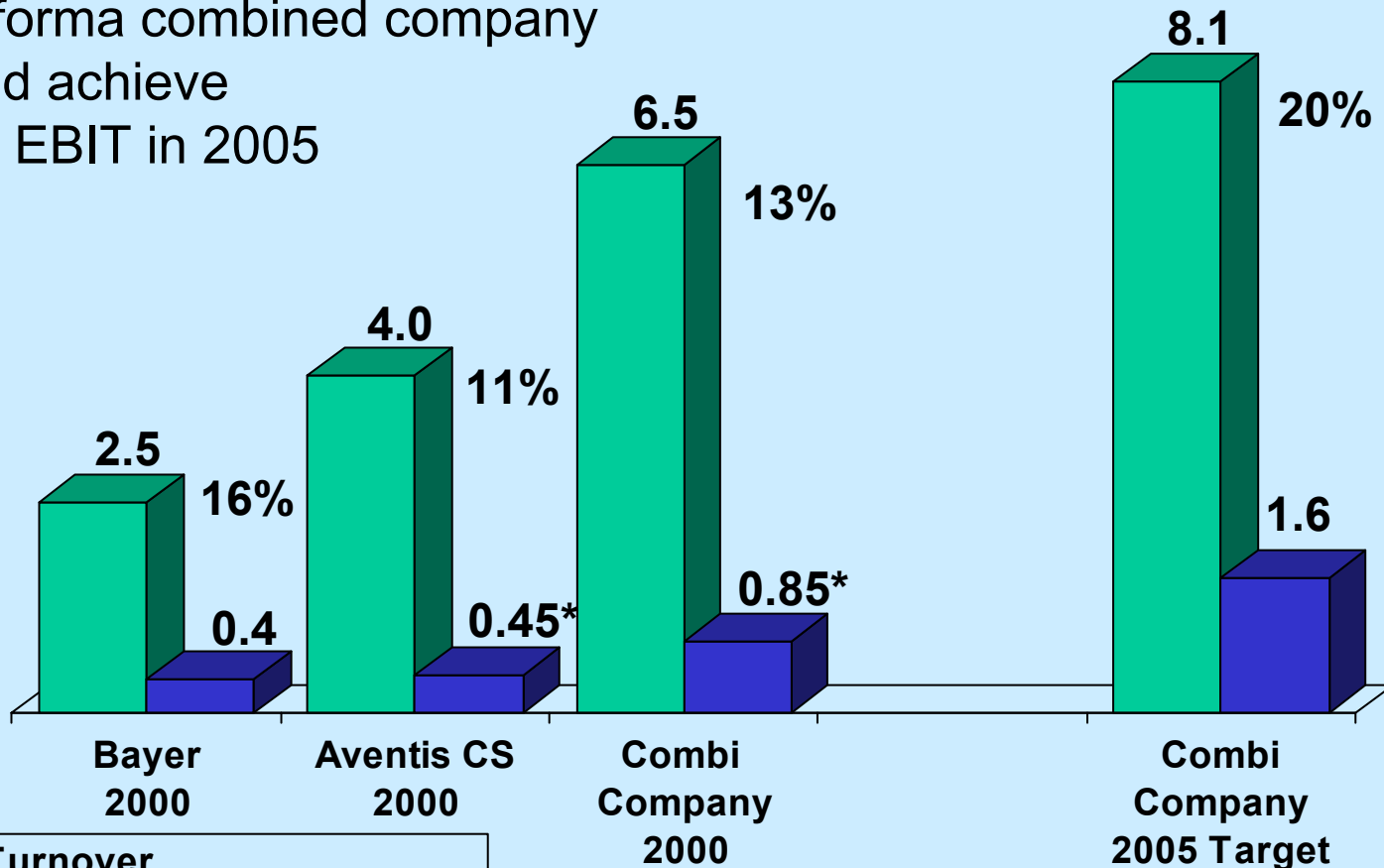
# Bayer CropScience Will Become an Industry Leader



- The combined company will become an industry leader whose size will equal Syngenta's (excluding seed activities)
- Bayer will gain the market leadership in insecticides, and will rank within the top three leaders in all the market segments.
- The transaction will significantly improve Bayer's positions outside the European market.

# Bayer & ACS Combination Drives Profitability in Future

Pro forma combined company  
would achieve  
20% EBIT in 2005



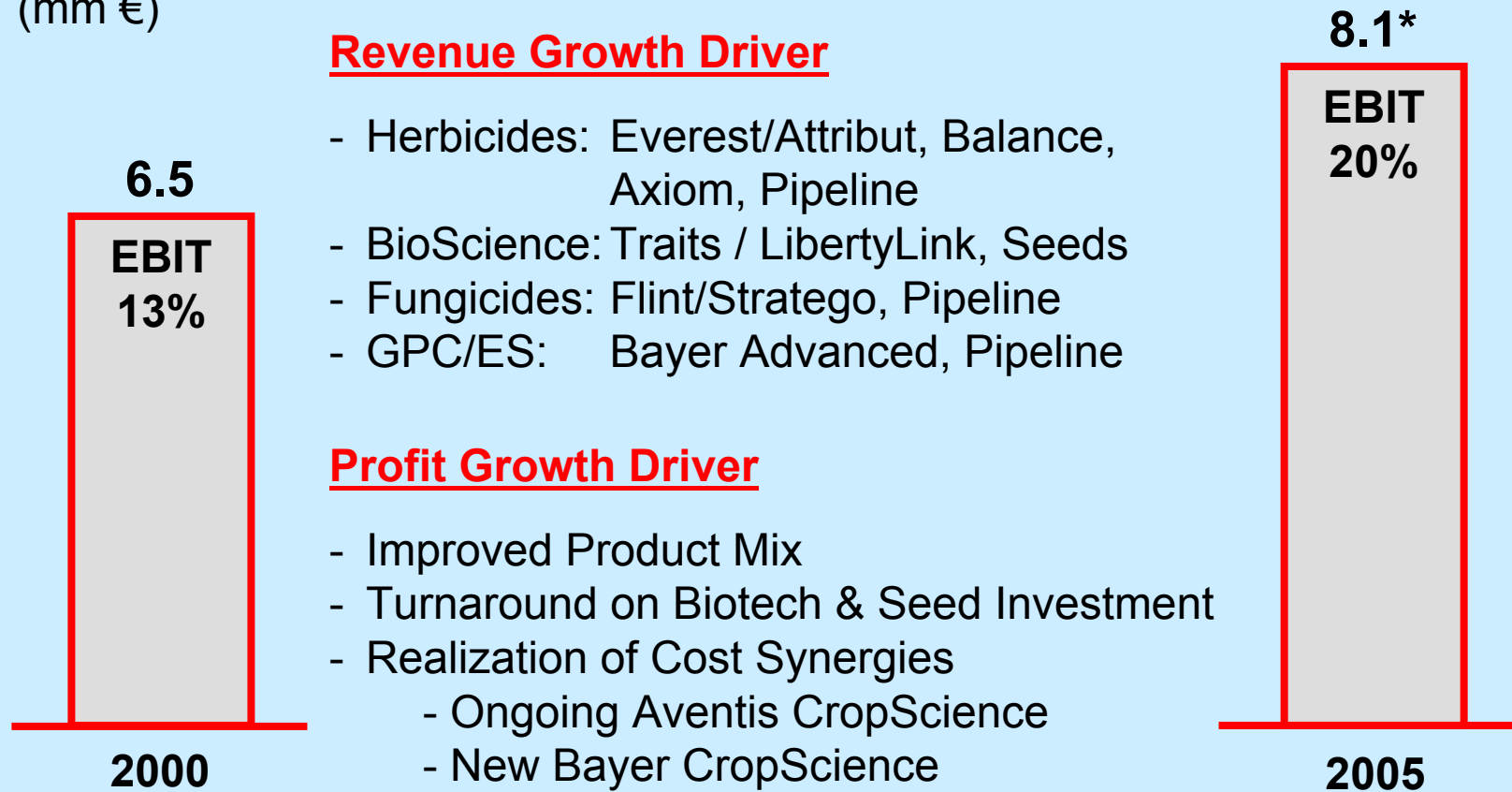
■ Turnover  
■ EBIT (excl. special items)

\*) excl. € 625 mio one-time charges

% EBIT Margin

# Bayer CropScience - Development Above Market Growth

(mm €)



\* w/o future divestments



# Combined Company Can Realize Significant Synergies

(mm €)	<u>Bayer</u>	<u>ACS</u>		<u>Synergy Potential</u>
Turnover	2.455	4.034	⇒	Top-Line
% COGS	47%	50%	⇒	Optimizing Production Cost
% S & A	23%	27%	⇒	Streamlining Sales Force + Administration
% R & D	11%	12%	⇒	Focussing R & D activities

Preliminary estimates:

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**€ 500 mm p.a.**

# Bayer CropScience: Objectives

## 1. Bayer Growth above Market Growth (> 4% p.a.)

- Top-Line Synergies due to bundling capabilities and best-of-class market coverage
- Unique Development pipeline
- Unique Research platform

## 2. Fast realization of synergies

⇒ **Target: 20% EBIT by 2005**