

# Bayer



## Conference Call

Leverkusen, October 2, 2001



# Safe Harbour

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This presentation may contain forward - looking statements based on current assumptions and forecasts made by Bayer Group management.

Various known and unknown risks, uncertainties and other factors could lead to substantial differences between the actual future results, financial situation, development or performance of the company and the estimates given here. The company accepts no obligation to continue to report or update these forward-looking statements or adjust them to future events or developments.

# Aventis CropScience Acquisition Agreement

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in Euros

|                     |   |
|---------------------|---|
| Acquisition price   | 7,250m (incl. debt, 100% of shares)                         |
| Sales (2000)        | 4,034m  |
| StarLink            | Technology and potential liabilities remain with Aventis SA |
| Dilution year 1     | -0.30 EPS   |
| year 2              | -0.05 EPS   |
| Synergies           | approx. 500m per year                                       |
| Restructuring costs | approx. 500m  |
| Goodwill            | approx. 4,000m (over 12 years)                              |
| Closing             | Q1 '02  |

# Far-reaching change process initiated

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- **Organizational structure**

- > **Separate legal entities for Health Care and Crop Protection**
- > **Separation of Biological and Chemical Pharmaceuticals**

- **Portfolio management**

- > **Profitability requirements strictly applied**
- > **Weaknesses rigorously eliminated**

- **Operating efficiency**

- > **Acceleration of efficiency improvement programs**
- > **Improvement of working capital management**

- **Corporate culture**

- > **Performance orientation**
- > **Incentives**

# New Strategic Priorities

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- **Health Care: Establish strategic partnership**
- **Crop Protection: Successfully manage ACS integration**
- **Polymers: Expand in growth areas**
- **Basic & Fine Chemicals, Specialties: Consider all options to strengthen the business**