



Science For A Better Life

Investor Conference Call Q3 2011 Results

October 27, 2011 / Marijn Dekkers, CEO

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3rd Quarter 2011 – Bayer Confirms Group Outlook



- **Delivered growth and performance**, *adj. sales up 5%, adj. EBITDA up 8%, reported EPS +123%, Core EPS +18%*
- **Further strategic progress:**
 - **Innovation pipeline progress:** *Xarelto: positive AdCom vote, positive CHMP opinion and successful ATLAS trial; Alpharadin: FDA fast track designation; Regorafenib: phase III mCRC stopped early on success*
 - **Emerging markets:** *10% organic growth*
 - **Productivity:** *Group wide restructuring plans with €320 million annualised savings already implemented*
- **Group financial outlook reiterated:** *On track for 5-7% organic sales growth, adj. EBITDA > €7.5bn and Core EPS growth of ~15%*

3rd Quarter 2011 – Successful Development Continued



	Q3'11	Δ%
	€ million	€ million
Sales	8,670	+1 (+5)
EBITDA		
- reported	1,731	+41
- adjusted	1,805	+8
EBIT		
- reported	1,099	+95
- adjusted	1,174	+17
Net income	642	+125
Net cash flow	1,577	+1
Free operating cash flow	1,223	+5
EPS		
- reported	0.78€	+123
- core	1.12€	+18

() = Fx & portfolio adjusted

Highlights of Financial Results

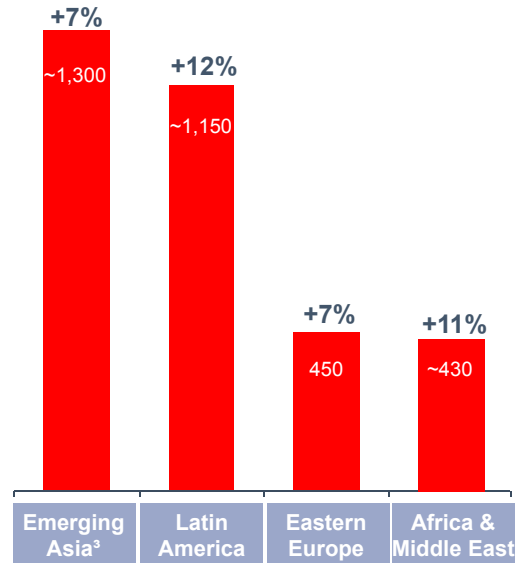
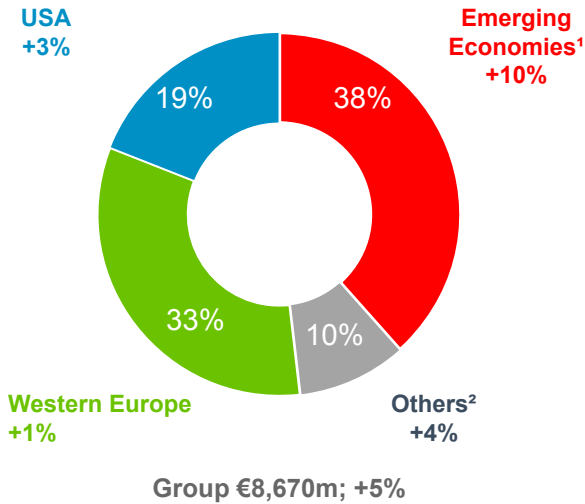
- All subgroups contributed to sales growth
- Continuing momentum in emerging markets
- Adj. EBITDA raised on lower costs at HealthCare and higher volumes at CropScience. MaterialScience lower due to higher raw material and energy costs
- Reported EBIT impacted by net special charges of €75m (prev. year €436m)

Emerging Markets Show Continuing Strong Momentum



3rd Quarter 2011 Group sales by region

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

3rd Quarter 2011 – Cash Flow And Net Debt Development



Q3 2011 Cash Flow

Net Debt Development

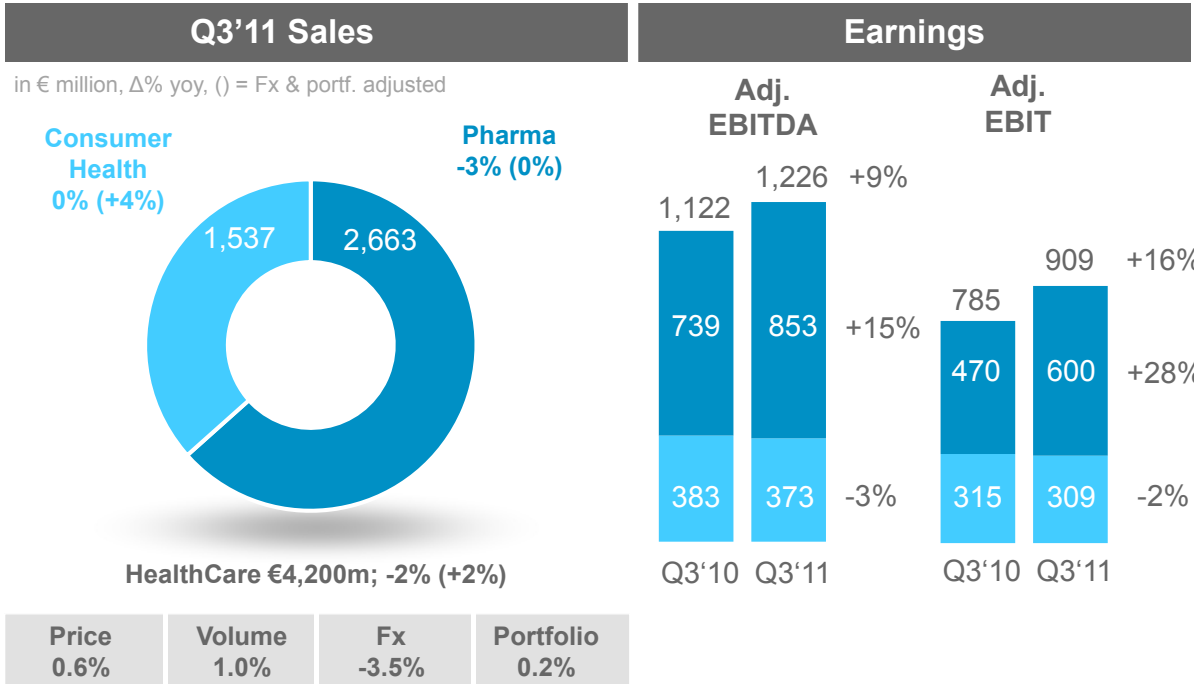
In € million

In € billion

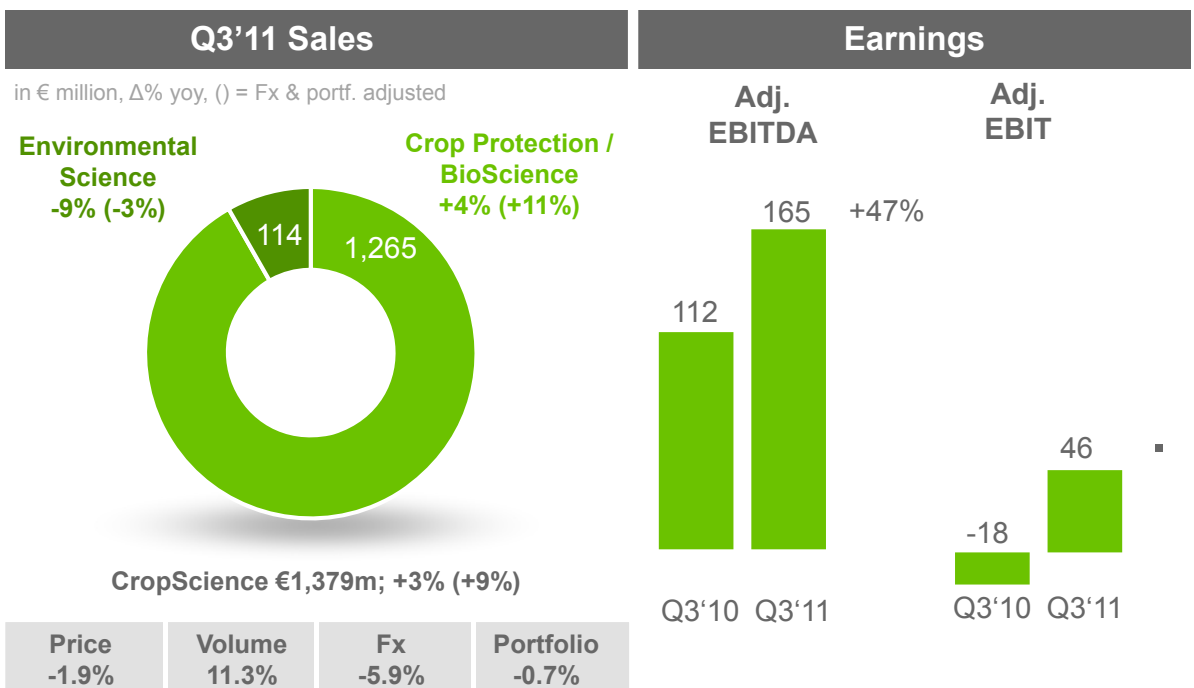
	GCF	NCF cont.	Investments	oFCF
	1,327	1,577	354	1,223
Δ% y-o-y	+50	+1	-10	+5



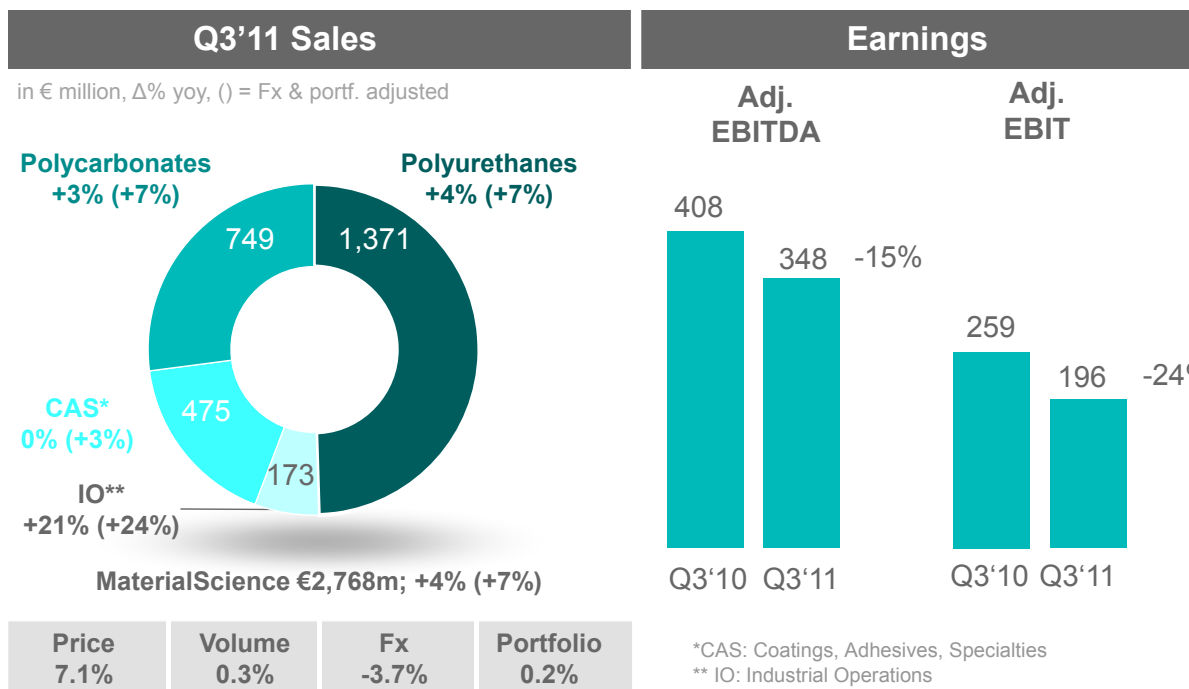
HealthCare – Emerging Markets Driving Growth



CropScience – Strong Volume Growth At Crop Protection



MaterialScience – Sales Driven By Higher Selling Prices



Full Year 2011 – Group Outlook Confirmed








Sales Δ Fx and portfolio adjusted, EBITDA pre-special items

	2010	Δ		2011E Original	2011E Actual
Sales (Fx & portf. adjusted)	€35.1bn	+8%	➔	4-6% €35-36bn	5-7% to €36-37bn
adj. EBITDA	€7.1bn	+10%	➔	Improve toward €7.5bn	> €7.5bn
Core EPS	€4.19	+15%	➔	~10%	~15%

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

Fiscal 2011 – Guidance By Subgroup



HealthCare		Updated: Low-single digit (prev.: low- to mid-single digit) increase of sales. Expect adjusted EBITDA to grow by a mid-single digit percentage to at least €4.6bn (prev.: small improvement).
<i>Pharma</i>		Updated: Expect virtually unchanged or only slightly higher sales (prev.: low- to mid-single digit increase). Plan to increase adj. EBITDA by about 5%, improving the adj. EBITDA margin to approx. 30% (prev.: raise adj. EBITDA margin).
<i>Consumer Health</i>		Unchanged: Mid-single digit growth of sales and adj. EBITDA.
CropScience		Updated: High-single-digit percentage higher sales and growth of adj. EBITDA by more than 20% (prev.: about 20%) compared to weak prior year.
MaterialScience		Updated: Higher Q4'11 sales but lower adj. EBITDA than in Q4'10 in view of continued increases in raw material and energy costs. Expect to raise full-year sales by high-single-digit, posting slightly lower adj. EBITDA in the region of €1.3bn (prev.: grow adj. EBITDA at a higher rate than sales).