



## Disclaimer



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](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

## 2<sup>nd</sup> Quarter 2011 – Bayer Continues Positive Momentum



- Bayer delivered solid 5% adjusted sales growth and significantly 41% higher net income; Core EPS up 11%
- CropScience continued yoy improvement
- Progress of innovation pipeline continued to build foundation for future growth
- Group-wide efficiency improvement initiatives well underway confirming €800m savings target
- Group financial 2011 outlook reiterated

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## 2<sup>nd</sup> Quarter 2011 – Bayer Continues Positive Momentum



In € million, ( ) = Fx & portfolio adjusted

	Q2'11	Δ%
<b>Sales</b>	<b>9,252</b>	<b>+1(+5)</b>
<b>EBITDA</b>		
- reported	1,906	+6
- adjusted	2,035	+6
<b>EBIT</b>		
- reported	1,273	+26
- adjusted	1,417	+12
<b>Net income</b>	<b>747</b>	<b>+41</b>
<b>Net cash flow</b>	<b>1,530</b>	<b>-1</b>
<b>Free operating cash flow</b>	<b>1,232</b>	<b>+4</b>
<b>EPS</b>		
- reported	0.90€	+41
- core	1.29€	+11

### Summary of Financial Results

- Solid business expansion
- Adjusted EBITDA improved, good season for CropScience, slight expansion at HealthCare, MaterialScience remained level yoy
- Reported EBIT impacted by net special charges of €144m
- 2011 Group financial outlook reiterated

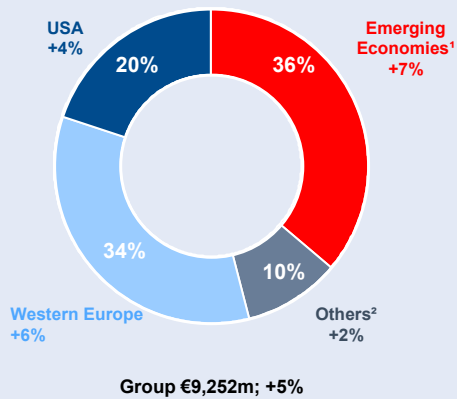
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## 2<sup>nd</sup> Quarter 2011 – Emerging Markets Leading The Growth

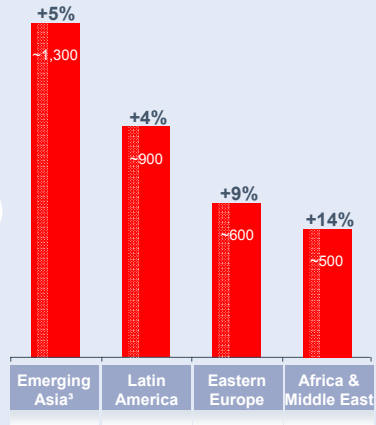


In € million, Δ% yoy Fx adjusted

### Q2 2011 Group sales by region



### Emerging Economies



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

## 2<sup>nd</sup> Quarter 2011 – Cash Flow And Net Debt Development



### Q2 2011 Cash Flow

In € million

	GCF	NCF cont.	Investments	oFCF
	1,532	1,530	298	1,232
Δ % y-o-y	+19%	-1%	-18%	+4%

### Net Debt Development

In € billion



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## 2<sup>nd</sup> Quarter 2011 – Breakdown By Segment



In € million, ( ) = Fx & portfolio adjusted

	Sales			adj. EBITDA		
	2010	2011	Δ% (adj.)	2010	2011	Δ%
<b>HealthCare</b>	4,305	4,208	-2 (+2)	1,122	1,156	+3
<b>Pharma</b>	2,748	2,666	-3 (+0.5)	772	807	+5
<b>Consumer Health</b>	1,557	1,542	-1 (+4)	350	349	0
<b>CropScience</b>	1,884	1,943	+3 (+9)	380	471	+24
<b>MaterialScience</b>	2,689	2,782	+3 (+8)	373	372	0

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## Full Year 2011 – Group Outlook Reiterated



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

	2010	Δ		2011E Q2 update
<b>Sales</b> (Fx & portf. adjusted)	€35.1bn	+8%	→	5-7% to €36-37bn
<b>adj. EBITDA</b>	€7.1bn	+10%	→	> €7.5bn
<b>Core EPS</b>	€4.19	+15%	→	-15%






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Outlook depends on specific planning assumptions  
as detailed in the Q1 Quarterly Report

## Fiscal 2011 – Guidance By Subgroup



Outlook based on Fx and portfolio adj. sales and EBITDA pre-special items

<b>HealthCare</b>		<p><b>Unchanged:</b> Low- to mid-single digit increase of sales and small increase of adj. EBITDA</p>
<b>Pharma</b>		<p><b>Unchanged:</b> Low- to mid-single digit increase of sales and improvement of adj. EBITDA-margin</p>
<b>Consumer Health</b>		<p><b>Unchanged:</b> Mid-single digit growth of sales and adj. EBITDA</p>
<b>CropScience</b>		<p><b>Unchanged:</b> High-single-digit percentage higher sales and growth of adj. EBITDA by about 20% - or more if the season progresses well in 2<sup>nd</sup> half</p>
<b>MaterialScience</b>		<p><b>Updated:</b> High-single-digit percentage raise of sales. Adj. EBITDA still expected to increase at a higher rate than sales, although we regard this target as increasingly ambitious. Q3'11: Sales and adj. EBITDA in line with prior-year level</p>

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



Science For A Better Life

### Investor Conference Call Q2 2011 Results

Marijn Dekkers, CEO | July 28, 2011