



Science For A Better Life



First Quarter Results 2006

Investor Conference Call

Werner Wenning

April 27 | 2006

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Successful Start to Fiscal Year 2006 Record Quarter for Bayer

- Strong growth momentum maintained
- Best-ever underlying EBIT and EBITDA
- Upward trend unabated: 13 consecutive quarters with y-o-y improvements in underlying EBIT
- On track to achieve full year 2006 objectives (excluding Schering)
- Excited by the opportunity to build a world-class specialty pharmaceuticals company

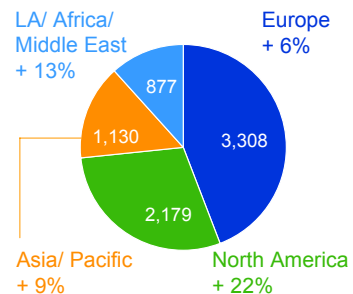
Q1'06 – Successful Start into Fiscal Year 2006



Key Figures Q1'06

	Sales € 7,494m	EBIT* € 1,236m	Net income € 600m
Δ%	+ 12%	+ 8%	- 8%
Δ% Adjusted ⁽²⁾ / ₍₃₎	+ 6%		+/- 0

Regional Sales Performance



* underlying

⁽²⁾ Sales currency & portfolio adjusted

⁽³⁾ Net Income excluding € 52m after-tax profit in Q1'05 from discontinued operations

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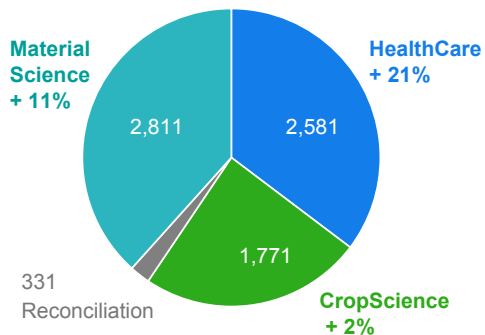
Δ y-o-y
In € million

Strong Growth Momentum Sustained



Q1'06 Sales as reported

In € million, Δ% y-o-y



Group € 7,494m, +12%

Growth Analysis

	Δ% y-o-y (Fx adj.)	Share of growth*
Pharma, Biologicals	+15%	36%
Consumer Care	+17%	22%
DS/DC	+18%	21%
Animal Health	+4%	2%
HealthCare	+15%	81%
Crop Protection	-6%	-21%
Environ Sc./BioSc.	+3%	+3%
CropScience	-4%	-18%
Materials	+8%	18%
Systems	+5%	19%
MaterialScience	+6%	37%

*excl. Reconciliation

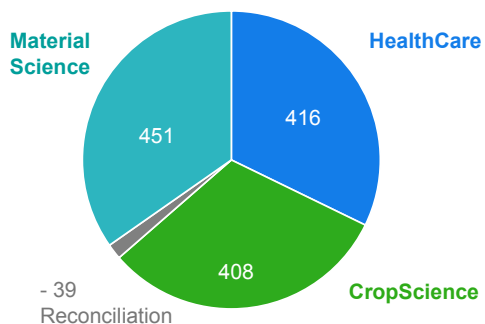
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Record Underlying EBIT Performance



Q1'06 underlying EBIT

In € million, Δ% y-o-y



Group € 1,236m, +8%

Growth Analysis

	Δ% y-o-y	Share of growth*
Pharma, Biologicals	+13	16%
Consumer Care	+209	47%
DS/DC	+60	15%
Animal Health	+4	1%
HealthCare	+38	79%
Crop Protection	-14	-32%
Environ Sc./BioSc.	+34	22%
CropScience	-4	-10%
Materials	+1	1%
Systems	+18	30%
MaterialScience	+11	31%

*excl. Reconciliation

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Net Cash Flow Improved by More Than € 350m

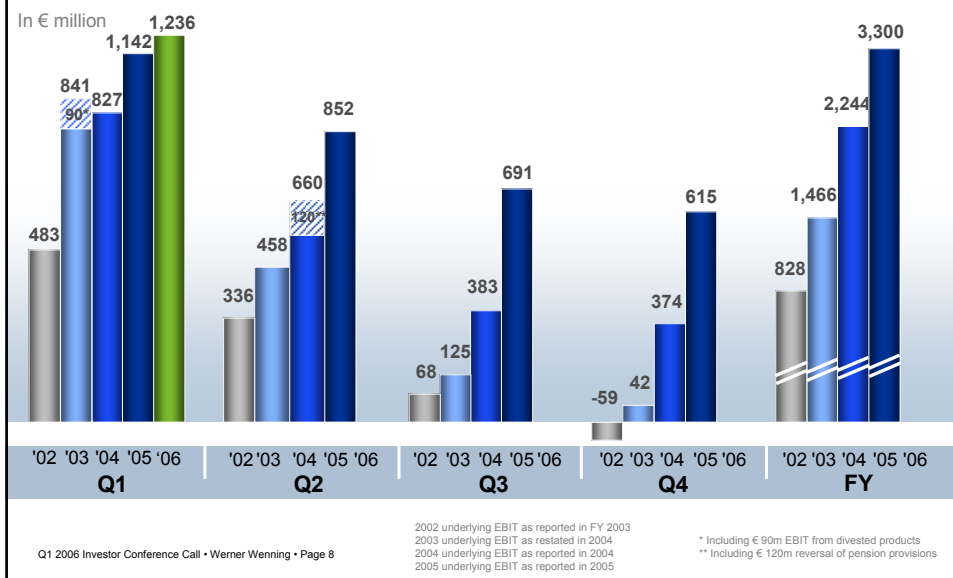


Q1'06 Cash Flow					Net Debt Development	
	GCF € 1,190m	NCF € 128m	Investments € 419m	FCF € -291m	€ million	
$\Delta\%$ y-o-y	+ 8%	•	+ 131%	+ 34%	5,494	223
% of D&A			94%			5,717
					Q4'05	Q1'06

GCF, NCF: Gross and net cash flow continuing
FCF: Operating free cash flow

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Upward Trend at Bayer Continued



FY 2006 Outlook (excluding Schering) – Further Improvements Expected



Group	Subgroups
 <ul style="list-style-type: none"> ■ Sales growth expectations Approx. +5% to more than € 28bn ■ EBIT growth expectations Slight improvement (underlying) ■ EBITDA margin target Generate approx. 19% (underlying) <p style="text-align: right; font-size: small;">Sales growth portfolio- and currency-adjusted</p>	 <ul style="list-style-type: none"> ■ HealthCare Growth at or above market 10+% growth in underlying EBIT ■ CropScience Growth above market Underlying EBIT above last year's level ■ MaterialScience Continued growth Excellent underlying EBIT, though possibly below 2005 level

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We are Delivering Growth and Performance



	Q1'06 Performance	Key Message
■ Sales	+ 12% y-o-y	Sustained growth momentum
■ EBIT (underlying)	+ 8% y-o-y	Upward trend unabated, 13th quarter with y-o-y increase
■ Profitability	Underlying EBITDA margin 22.4%	Performance improvement on schedule
■ Outlook 2006 (pre Schering)	Confirmed	Executing clear strategy to drive performance



Science For A Better Life



First Quarter Results 2006

Q1'06 Non-Operating Result



in € million	Q1'05	Q1'06	Δ%
Non-operating result	(131)	(213)	-62.6
■ Expenses from affiliated companies - net	(2)	(6)	•
■ Interest expense - net	(80)	(144)	- 80.0
■ Interest portion of provisions	(59)	(61)	- 3.4
■ Exchange gains (losses) - net	1	(3)	•
■ Miscellaneous - net	9	1	-88.9
Pre-tax income	873	895	2.5
■ Income taxes	(280)	(298)	- 6.4
Net income (cont. operations)	593	597	0.7