



Science For A Better Life



Investor Conference Call

Q2 2008 Results

Werner Wenning, CEO

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Disclaimer



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Q2 2008 Upward Trend Continued Unabated

- Strong business expansion – adjusted sales up 10%
- Outstanding CropScience performance
- Core EPS €1.18 up 15%
- Further strategic progress – Maxygene, Possis and Sagmel
- Key pipeline asset Xarelto achieved major milestones, safety up-date given
- CropScience €2bn new product sales now expected in 2009
- 2008 outlook: sales projection raised, earnings targets confirmed

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Q2'2008 – Upward Trend Unabated 22nd Consecutive Quarter with YOY Improvement

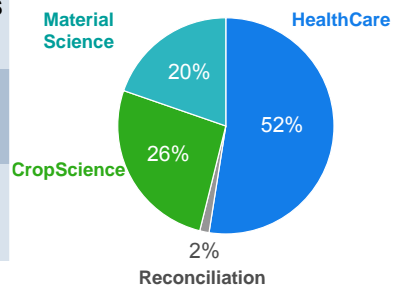


Key Figures

Underlying EBITDA by Subgroup

In € million, Δ% y-o-y

	Sales	EBITDA*	EBIT*	Core EPS
	8,511	1,896	1,248	€1.18
Δ%	+ 4%	+ 5%	+ 5%	+ 15%
Δ% Adj. **	+ 10%			



* Before special items

** Currency & portfolio adjusted

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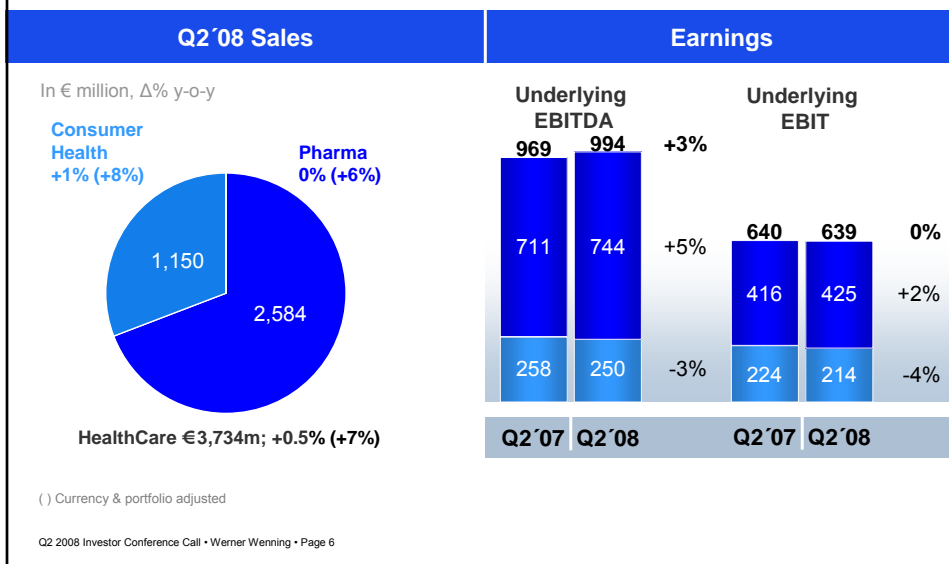
Euro Appreciation Weighs on Top And Bottom Line



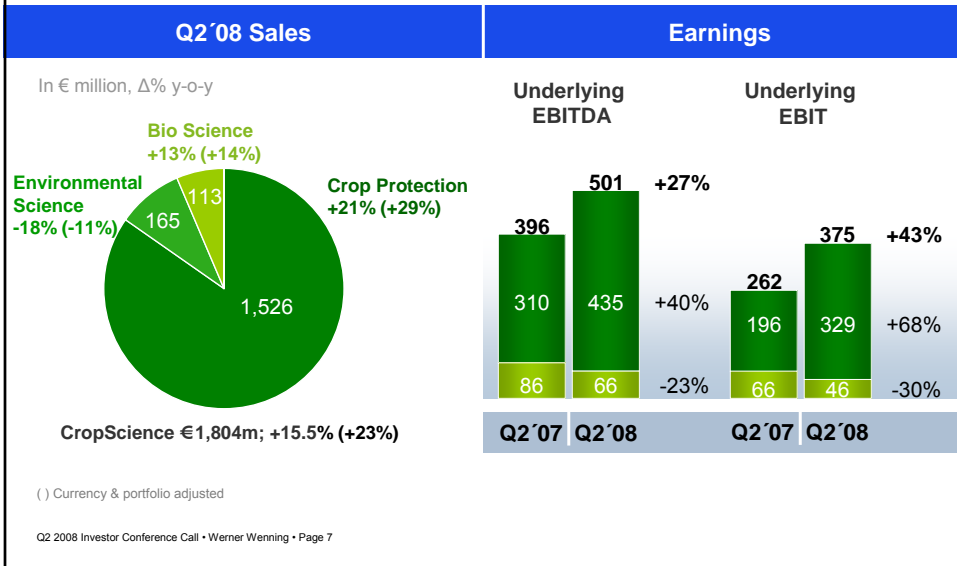
In € million		Q2 '2008 impact	FY 2008 estimate <small>at end Q2 rates</small>	Sensitivity in 2H '08 <small>1% appreciation against currency basket</small>
Group	Sales	-530	-1,650	-100
HealthCare		-250	-830	-50
CropScience		-130	-320	-20
MaterialScience		-150	-490	-30
Group	EBITDA underlying	-190	-600	-25*
HealthCare		-90	-270	-15*
CropScience		-60	-190	-5*
MaterialScience		-40	-140	-5*

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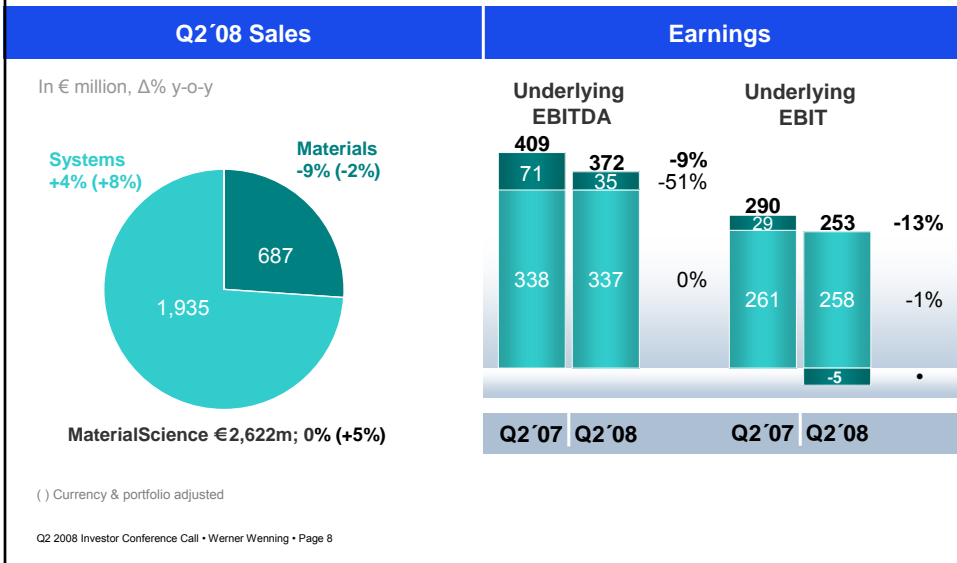
HealthCare – Margin Progression Impacted by Launch Preparations and Emerging Markets Investments



CropScience – Outstanding Performance Allows Further Upgrade of Financial Outlook



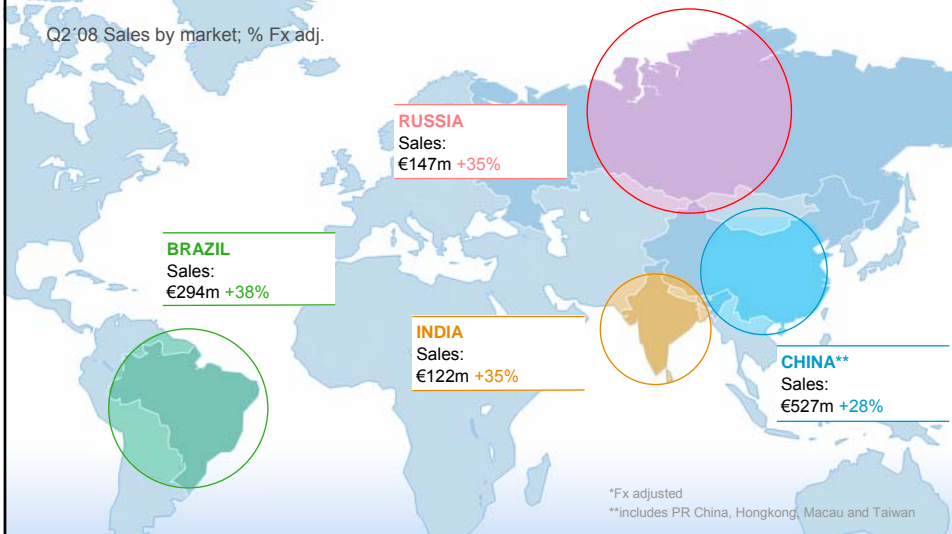
MaterialScience – Overall Mixed Picture But Systems Fairly Robust



BRIC Country Sales Advanced 32 Percent*



Q2 '08 Sales by market; % Fx adj.



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Net Debt Increase Mirrors Seasonal Cash Outflows in 2nd Quarter



Q2'08 Cash Flow

Net Debt Development

In € million

In € billion

	GCF	NCF cont.	Investments	oFCF
	1,322	889	347	542
Δ % y-o-y	+11%	+9%	-21%	+44%



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2008 Outlook Targets Further Growth, Strong Cash Generation and Improved Margins



2008 sales and earnings expectations

■ Group

Fx adj. sales increase > 5%
Increase in underlying EBITDA and margin*
Guidance is based on end Q2 Fx-rates

■ HealthCare

Fx adj. growth in all divisions at or above market
Margin* increase toward 27%

■ CropScience

Fx adj. growth by well over 10%
Margin* increase to approx. 25%

■ MaterialScience

Higher volumes and good, value-creating earnings level, but below 2007.
Q3'08 underlying EBITDA below Q2'08 level.

... and beyond

■ Group

>22% margin* by 2009

■ HealthCare

~28% margin* by 2009

■ CropScience

~25% margin* by 2009 now expected in 2008

■ MaterialScience

Attractive premium over capital and asset reproduction costs even in difficult market environment. Margin* in excess of 18% under favorable economic conditions.



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