Bayer CropScience

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Bayer CropScience

A New Market Leader Takes Shape

Goldman Sachs Annual Ag Forum
February 27th, 2003

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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.

These factors include those discussed in our public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including our Form 20-F).

The company accepts no obligation to continue to report or update these forward-looking statements or adjust them to future events or developments.

A New Market Leader Takes Shape

① Formation of Bayer CropScience

- **Milestones**
- **Integration & Divestments**
- **Business Development Q1 - Q3 2002**

② A Successful Future Market Leader

- Goals
- Strong Market Position in All Segments
- Rich Development Pipeline
- Critical Success Factors
- Company Aspirations

A New Market Leader Takes Shape
Milestones Formation Bayer CropScience

Oct 2, 2001	Signing of purchase agreement for the acquisition of Aventis CropScience
Apr 17, 2002	EU approval
May 30, 2002	FTC approval
June 3, 2002	Closing
June 4, 2002	Day One Bayer CropScience
Oct 1, 2002	Legal Entity Bayer CropScience AG fully operational
Nov 4, 2002	Finalization of divestment process and submission to authorities

Integration and Divestment Status

- One Face to the Customer
  - Year end 2002: 90 % of countries
  - Q2 2003: complete

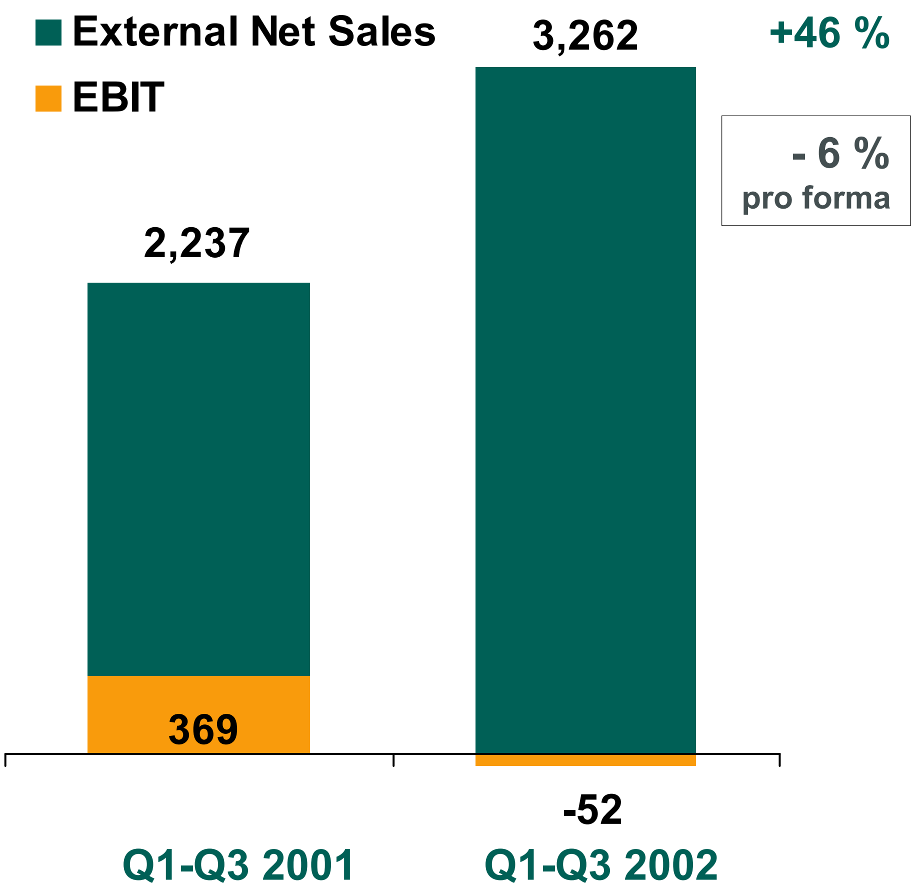
- Implementation of integration now completely in line function

- Divestment process on track
  - All contracts signed (31 agreements)
  - Successful submission to trade commissions within the restricted timelines
  - Value of divested products pending approval: € 1,700 million; Multiple of 2.4
  - 7 contracts closed, 4 approved, rest pending approval*
  - Expected completion within Q1 2003

* status as of January 2003

Business Development Q1 - Q3 2002 (in million €)

Maintained market share despite intensive integration process



Sales

- Pro forma sales development in line with overall market reduction

EBIT (major factors)

- Brazil, Argentina -60
  (Bad debt / channel inventory reduction)
- Goodwill from ACS acquisition* -329
- Acquisition / Integration / Carve-out / Restructuring/ Synergies -80

* impact of preliminary Purchase Accounting including step-up inventory

Business Development 2002 - Key Factors

North America	↘	- Drought conditions in Midwest / Canadian Plains and downward price pressure affects Herbicides sales negatively - US distributors adjust inventory
Latin America	↓	- Strong devaluation due to economic and political instability
West Europe	→	- Downward price pressure on distributors - Growth in Fungicide market
North East Asia	→	- Increasing competitive pressure in East Asia - Further reduction in Japanese rice area
International	↘	- Severe drought in key countries India and Australia

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A New Market Leader Takes Shape
Growth Target

Goal:	Growth Target of 4 % p.a.	
	- Net Sales* 2001	€ 6.5 billion
	- Net Sales* 2002E	€ 6.0 billion
	- Net Sales Target 2006	€ 7.0 billion
Assumption:	Expected market growth of 2 % p.a.	

How do we get there?

- Strong market position in all segments allows over-proportional growth participation
- Best-in-class pipeline allows further market share increase

* pro forma - continued business excluding divestments

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Profitability Target

Goal: 29% EBITDA in 2006

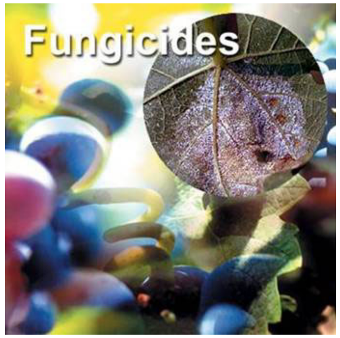
How do we get there?

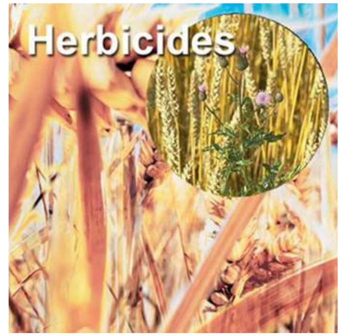
- Realization of growth targets
- Fast realization of synergies of € 570 million related to one-time restructuring costs of total € 550 million
- Increase of operating margins through portfolio optimization and migration to new products

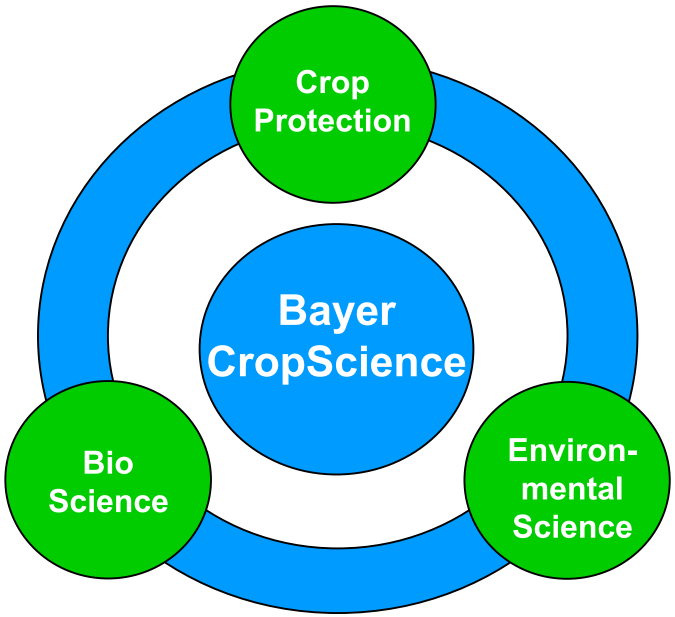
What Are the Future Risks?

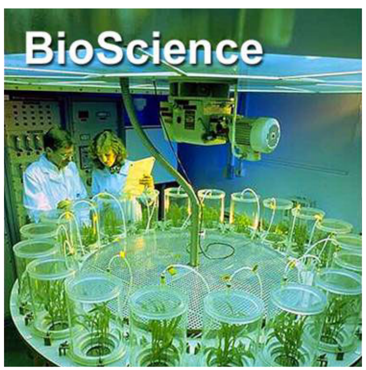
- Market Environment
  - Further market deterioration in Latin America
  - Impact of generic producers
  - No sustained upturn for agricultural commodity prices
- Political and Regulatory Environment
  - Higher registration and re-registration hurdles
  - Increased political pressure on agrochemicals
  - Public acceptance of Biotechnology still low

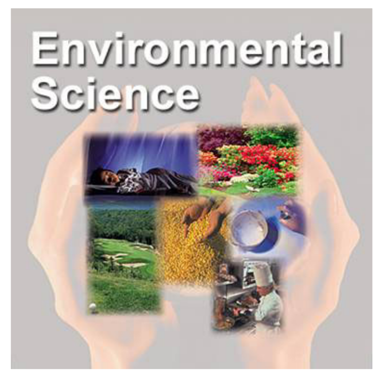
Different Business Segments to Address Specific Market Needs







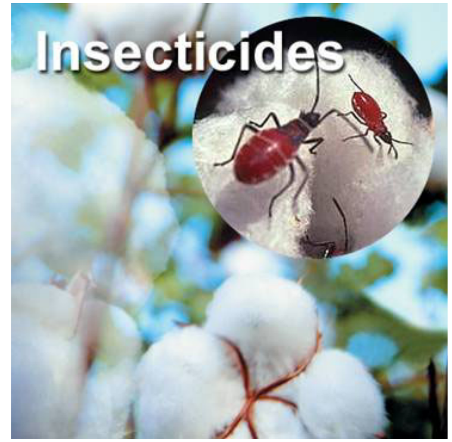




Crop Protection Insecticides - Strengthen Leadership

Key Figures 2001 *

- Turnover € 1.6 bn
- Market share 20 %
- Market rank 1



Strategy

- Expand neonicotinoid business with introduction of Calypso
- Grow Leadership in pyrethroid market focusing on Decis and Bulldock
- Defend "classics" portfolio
- Rapidly introduce three new pipeline products

Top Products 2001

- Confidor *Imidacloprid*
- Temik *Aldicarb*
- Decis *Deltamethrin*

* pro forma excluding divested products

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Crop Protection Seed Treatment - Consolidate Leading Position

Key Figures 2001 *

• Turnover	€ 0.4 bn
• Market share	39 %
• Market rank	1

Strategy

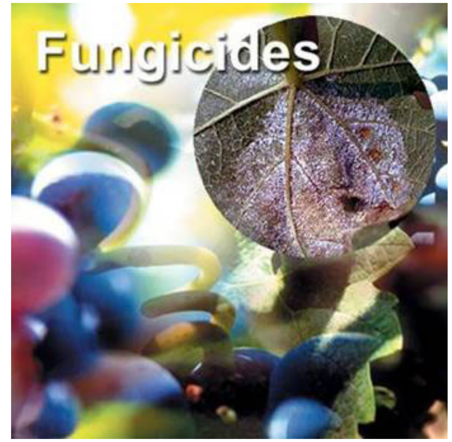
- Expand neonicotinoid insecticidal seed treatment business through launch of new products based on Chlothianidin (Poncho) in cereals, corn, sugar beet and OSR/canola
- Launch new fungicidal seed treatment products (Bariton, Redigo, Scenic) in cereals
- Expand Gaucho business

Top Products 2001

• Gaucho	*Imidacloprid*
• Raxil	*Tebuconazole*
• Premis	*Triticonazole*

* pro forma excluding divested products

Crop Protection Fungicides - Growth Strategy



Key Figures 2001 *

• Turnover	€ 1.4 bn
• Market share	22 %
• Market rank	2

Strategy

- Above average growth through Flint and new products
- Exploit full potential of other products through effective life cycle management
- Utilise full potential of best-in-class portfolio through tailor made offerings and mixtures for all significant markets

Top Products 2001

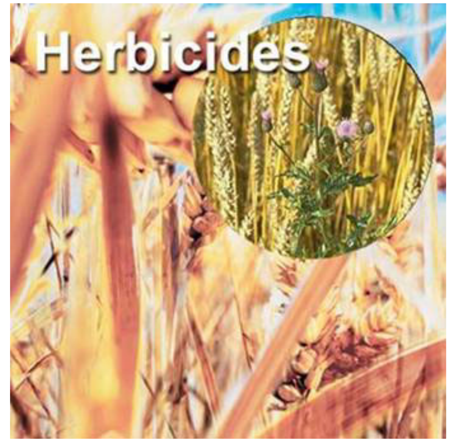
• Folicur / Raxil	*Tebuconazole*
• Flint / Stratego	*Trifloxistrobin*
• Aliette	*Fosetyl*
• Rovral	*Iprodione*

* pro forma excluding divested products

Crop Protection Herbicides - Profitable Growth

Key Figures 2001 *

• Turnover	€ 2.0 bn
• Market share	15 %
• Market rank	3



Strategy

- Grow market position in corn through key products Balance, Foramsulfuron, Axiom, Mikado and Liberty
- Extend leading position in cereals through launch of Mesosulfuron and Attribute
- Continued development of the Glufosinate business in both selective and GMO-crops (corn, cotton, canola)

Top Products 2001:

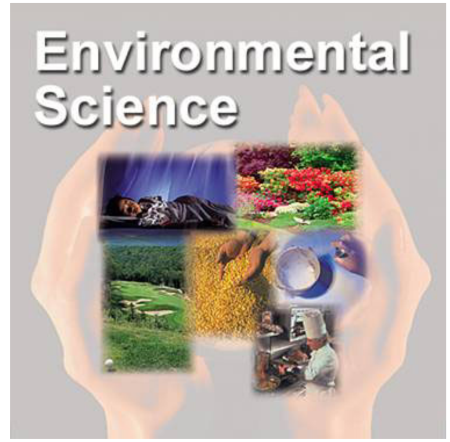
• Puma	*Fenoxaprop*
• Balance	*Isoxaflutole*
• Basta / Liberty	*Glufosinate*
• Buctril	*Bromoxynil*
• Betanal	*PMP/DMP/Etho.*
• Sencor	*Metribuzin*

* pro forma excluding divested products

Environmental Science - Leader in the Non Agricultural Markets

Key Figures 2001 *

• Turnover:	€ 0.8 bn
• Market share	24 %
• Market rank	1



Strategy

- Grow Bayer Advanced Lawn & Garden market in the US through partnership
- Expand user and environmental friendly product range
- Maintain top position in Professional markets

Top Products / Brands 2001

• Premise, Merit	*Imidacloprid*
• Maxforce	*Fipronil*
• Tempo, Kothrine	*Cyfluthrin*, *Deltamethrin*
• Chipco 26 GT	*Iprodione*
• Bayer Advanced & Bayer Garden	

* pro forma excluding divested products

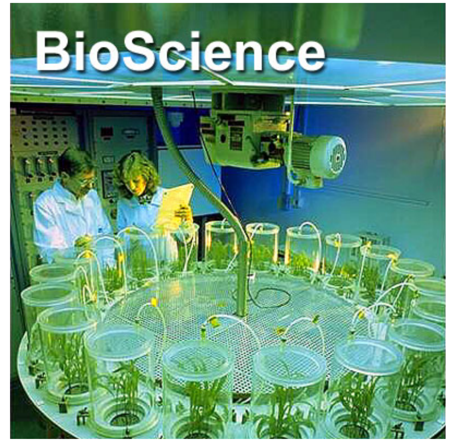
BioScience - Expand in Growing Biotechnology

- A separate business group, focusing upon the research, development and commercialization of products derived from biotechnology and seeds
- A € 0.2 billion business operating globally with a significant investment in R&D in germplasm and traits primarily in
  - Nunza, a stand alone conventional vegetable seed business
  - 5 crop sectors
    (Corn, Cotton, Canola, Rice & Vegetables)
  - 5 technology areas
    (Crop Protection, Crop Yield, Reproductive Biology, Stress Tolerance & Carbohydrate Modification)
- A complementary business to the conventional crop protection

BioScience - Expand in Growing Biotechnology

Key Figures 2001 *

Turnover: € 0.2 bn



Strategy

- Continue with profitable seed business Nunza
- Convert existing IP estate into a sustainable revenue stream (herbicide tolerance & insect resistance)
- Continued growth in cotton, rice and vegetable businesses integrating in-house technologies
- Build upon canola and corn seed market share in North America introducing new traits into the crop

Key Brands / Technology 2001

- Nunza: Sunseeds, Nunhems
- Liberty Link, Seed Link
- Bt technology
- FiberMax

* pro forma

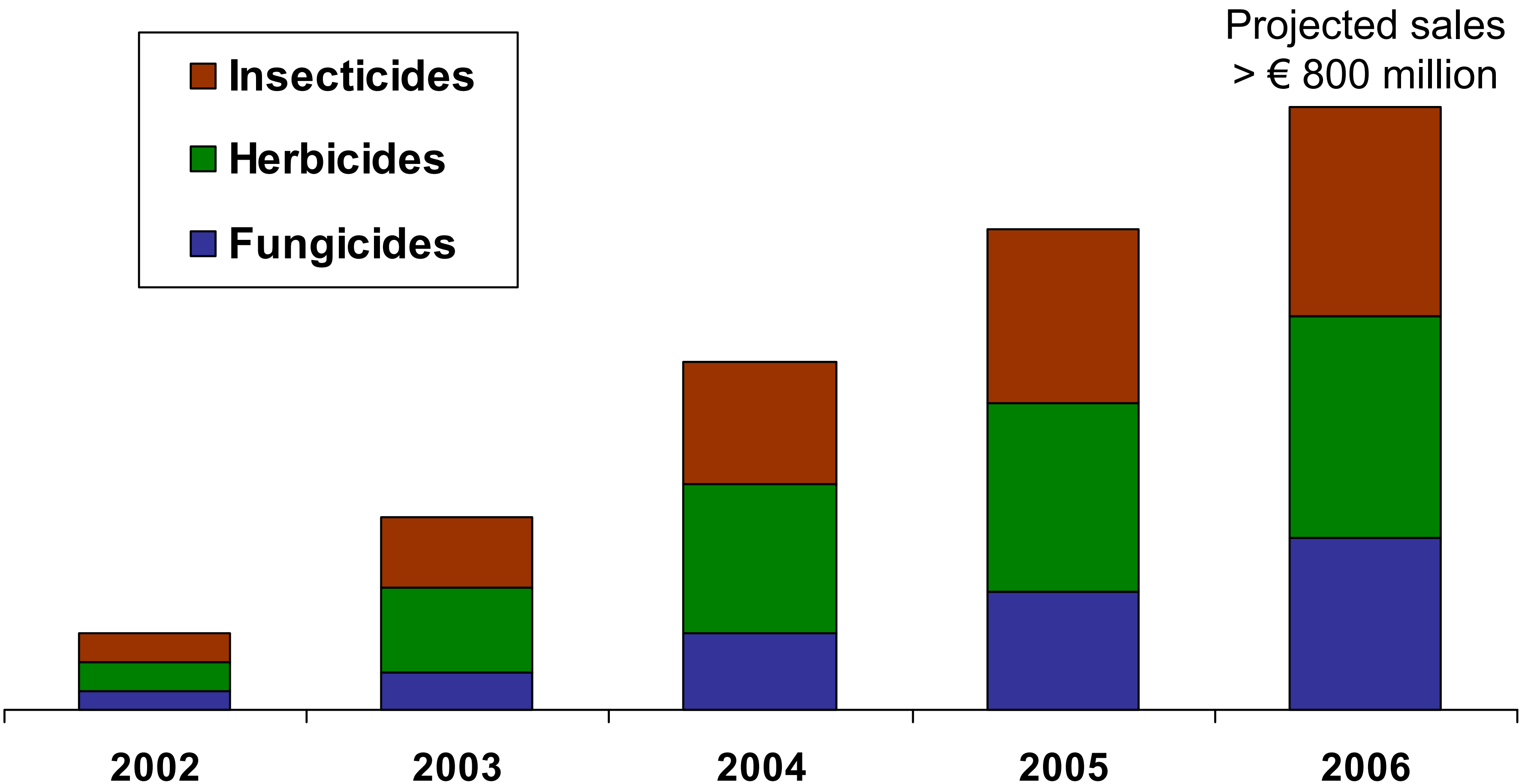
Rich Development Pipeline Boosts Future Growth

2001	2002	2003	2004	2005
Thiacloprid (Calypso®)	Foramsulfuron (MaisTer®)	Ethiprole (Curbix®)	Fluoxastrobin (Fandango®)	Picobenzamid
Fenamidone (Fenomen®)	Mesosulfuron (Atlantis®)	Clothianidin (Poncho®)	Prothioconazole (Proline®)	Spiromesifen (Oberon®)
Fentrazamide (Innova®)	Methoxyfenozide (Runner®)	Spirodiclofen (Envidor®)		
Propoxycarbazone (Attribut®)				

Goal: 2 - 3 new compounds per year

Fungicides Herbicides Insecticides

Rich Development Pipeline Boosts Future Growth



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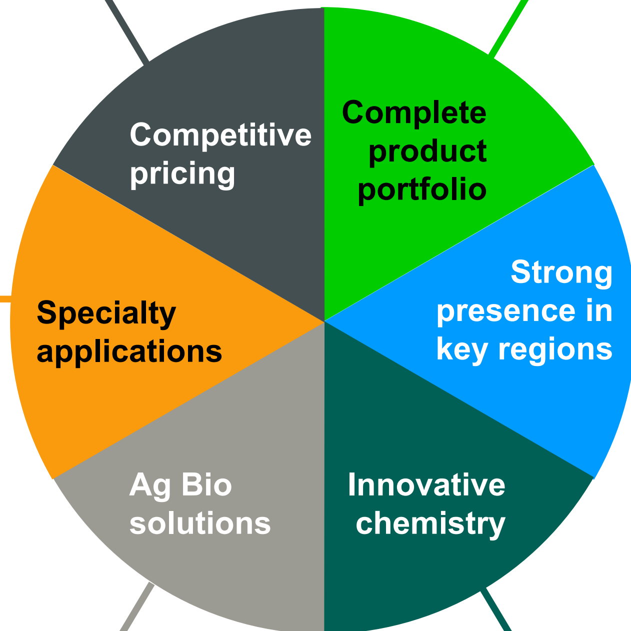
Matching the Critical Success Factors

- Economies of scale
- Cost structure
- Bundling capabilities

Strong position in all segments

Herbicide	#3
Fungicide	#2
Insecticide	#1
Environmental Science	#1



- Environmental Science
- Seed treatment

North America	#3
Europe	#1
Latin America	#2
Asia	#2

- Player in input traits (LibertyLink®, Bt)
- Seed business (breeding know-how)
- Output trait know-how

- Excellent research platform
- 2-3 new launches per year

Bayer CropScience Company Aspirations

We will be the global leading provider of innovative products and integrated solutions for agriculture and environmental health

Customer

We are committed to providing our customers with economic and efficient tailor-made solutions and services

Employees

We are committed to providing our employees with a working environment based on integrity, trust and teamwork, fostering individual talents, encouraging entrepreneurship in order to build together our own company culture

Shareholder

We are committed to being a profitable and predictable company, growing our business above our markets. In the medium-term, our goal is to achieve 29% EBITDA at an annual sales growth rate of 4%

External Stakeholders

We are committed to communicating openly with our external Stakeholders and to contributing actively to the health and well-being of our communities and the environment

A New Market Leader Takes Shape

Bayer CropScience

A successful future market leader: Starting from a strong basis ...

- Leader in conventional Crop Protection
- Leader in Environmental Science
- Emerging player in BioScience
- Rich development pipeline

... to reach its ambitious growth and profitability targets !

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Your partner for growth