



Science For A Better Life



Investor Conference Call

FY/Q4 2009 Results

Werner Wenning, CEO

February 26 | 2010

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Fiscal 2009: Successful in a difficult environment

- Record sales and earnings at HealthCare, record sales at CropScience, unprecedented drop in demand at MaterialScience
- Third highest group underlying EBITDA ever
- Restructuring, efficiency and performance projects delivered
- Record net cash flow
- Q4 underlying EBITDA back to pre-crises levels
- Optimistic 2010 outlook, new mid-term targets

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Q4 2009 – Upward Trend Confirmed

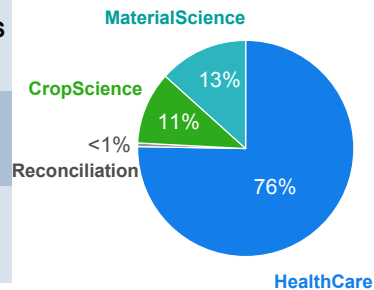


Key Figures

Underlying EBITDA by Subgroup

In € million, Δ% y-o-y

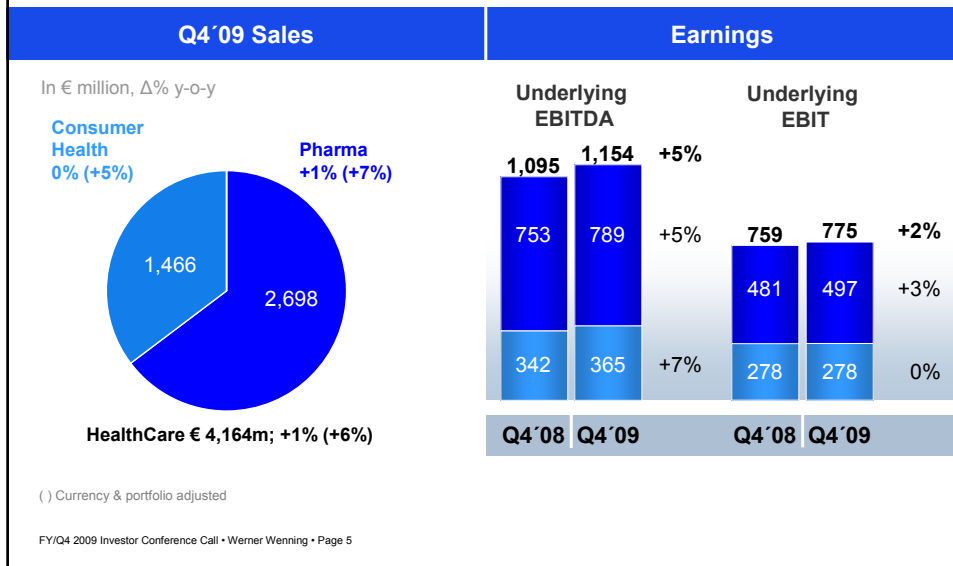
	Sales	EBITDA*	EBIT*	Core EPS
	7,872	1,513	817	€0.90
Δ%	-1%	+11%	+16%	+27%
Δ% Adj. **	+3%			



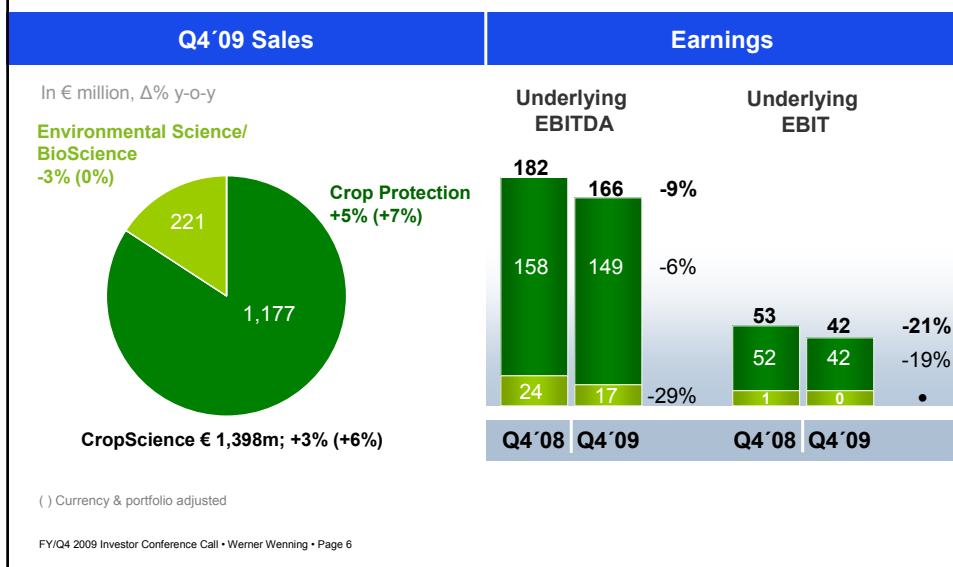
* Before special items
 ** Currency & portfolio adjusted

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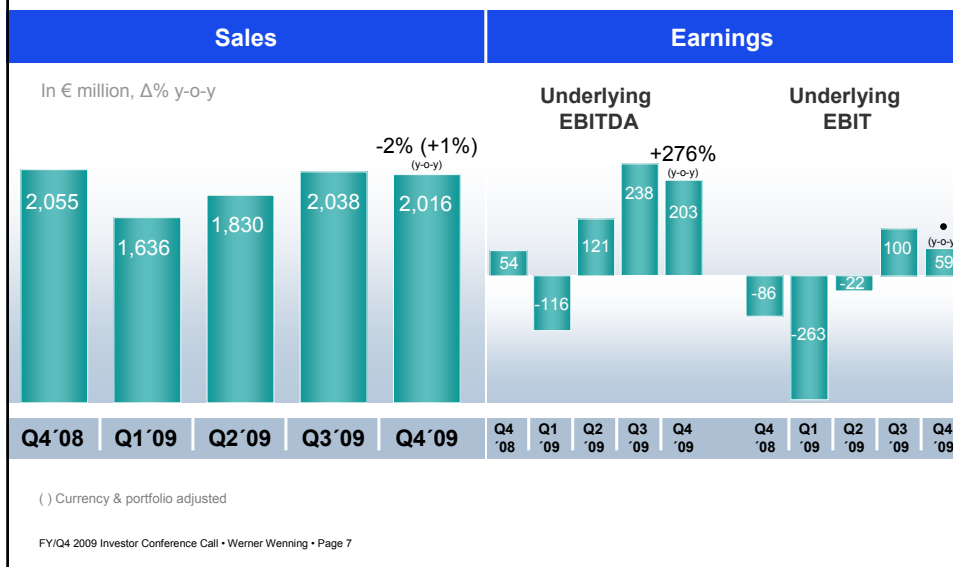
HealthCare – Strong Finish to a Successful Year



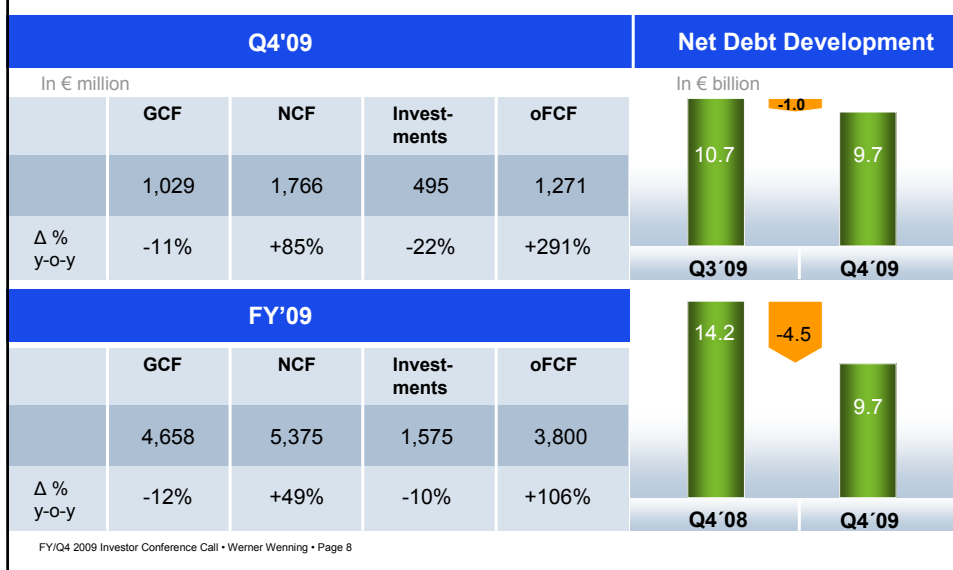
CropScience – Strong Growth, Earnings Down on Fx And Weaker Prices



MaterialScience – Ongoing Recovery



Cash Flow and Net Debt Development



2009 Performance vs. Targets



in € million	2009 Outlook	2009	adj. Δ	Comments
HealthCare				
Sales Margin*	above market growth improve towards 28%	15,988 27.9%	4% +90bps	<ul style="list-style-type: none"> Pharma slightly behind, consumer „in-market“ performance ahead Strong in pharmerging markets esp. China
CropScience				
Sales Margin*	increase maintain 25%, Q3 update 23-24%	6,510 23.2%	2.5% -190bps	<ul style="list-style-type: none"> Gained market share Achieved targeted €2bn sales with new products Met Q4 guidance of higher sales (+6%)
MaterialScience				
Sales uEBITDA** oFCF***	severe decline severe decline positive	7,520 446 345	-25% -59% +214%	<ul style="list-style-type: none"> Unprecedented drop in demand Sequential recovery clearly visible Q4 sales in Asia/Pacific above pre-crisis levels

*underlying EBITDA margin
**uEBITDA = pre-exceptional items
***oFCF = operating free cash flow

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Group: Performance vs. Targets



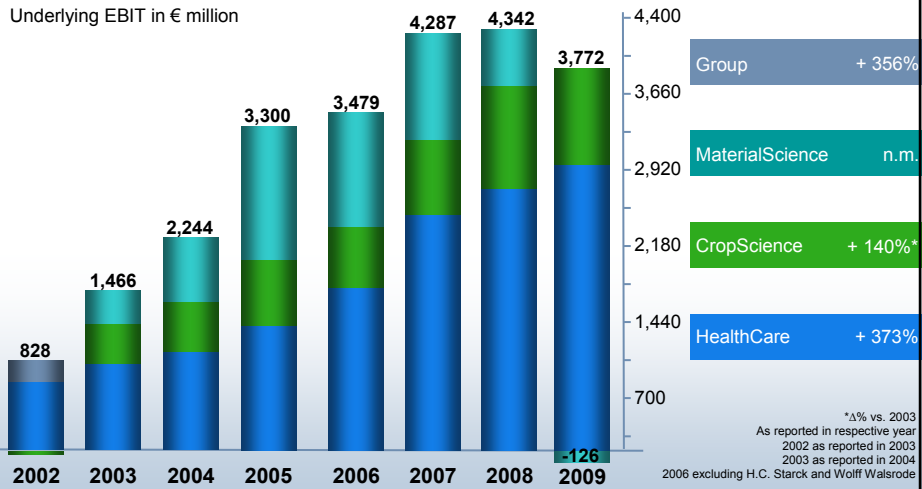
	2009 Outlook	2009 actual	Δ	Comments
Sales	€31-32bn	€31.2bn	-5.7%	<ul style="list-style-type: none"> Record sales at HealthCare and CropScience Unprecedented drop in demand at MaterialScience
uEBITDA	approx. -5%	€6.5bn	-6.6%	<ul style="list-style-type: none"> Includes €140m (€80m in Q4 alone) negative currency effect At constant exchange rates decline -4.6%
Net debt	reduce towards €10bn	€9.7bn	€-4.5bn	<ul style="list-style-type: none"> Includes conversion of mandatory convertible bond Record net and oFCF Achieved €1bn trade working capital improvement (constant vol/prices)
Dividend	payout ratio 30-40% of Core EPS	€1.40	+/-0	<ul style="list-style-type: none"> Payout ratio 38.5% Underscores optimism for future developments

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Consistent Strong Performance



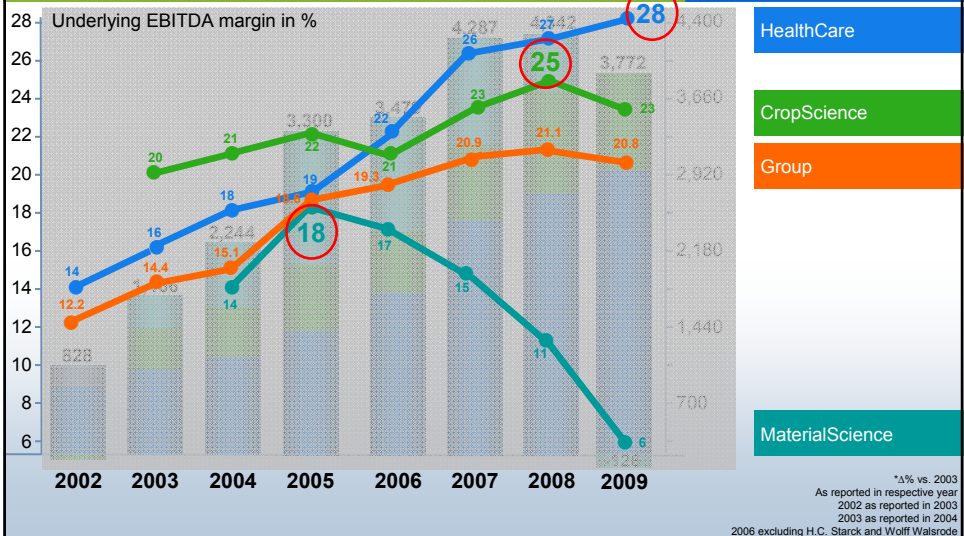
Underlying EBIT in € million



Consistent Strong Performance



Underlying EBITDA margin in %



Group Outlook



Sales Fx and portfolio adjusted

	2009	Δ		2010E	...2012E
Sales	€31.2bn	-6%	→	>5%	~5% p.a.
uEBITDA	€6.5bn	-7%	→	improve towards €7bn	~8bn
Core EPS	€3.64	-13%	→	~10%	average ~10% p.a. to ~€5

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Outlook depends on planning assumptions as detailed in the 2009 annual report

Subgroup Outlook 2010 And Beyond



	2010E		... 2012E
HealthCare	at least market growth corresponds to adj. sales increase of ~5% increase in uEBITDA	→	at least market growth steady improvement of uEBITDA
CropScience	slightly above market growth equivalent to adj. sales increase of ~4% small increase in uEBITDA business environment currently more difficult than expected	→	at least market growth further improvement of uEBITDA
MaterialScience	continuing economic recovery aim to increase sales 10+% substantial increase uEBITDA somewhat higher sales in Q1 vs. Q4'09 and Q1 uEBITDA roughly level with Q4'09	→	provided economic recovery continues, expect pre-crisis sales levels of >€10bn by 2012 considerable increase of uEBITDA

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Outlook depends on planning assumptions as detailed in the 2009 annual report

Significant Newsflow From Pharma Pipeline Expected in 2010



selection

Xarelto	<ul style="list-style-type: none"> ■ Further data from EINSTEIN program in DVT treatment ■ Completion of ROCKET AF trial in stroke prevention in A`fib patients ■ Completion of MAGELLAN trial in VTE prevention in medically ill patients ■ First filings in DVT treatment and in stroke prevention
Nexavar	<ul style="list-style-type: none"> ■ Phase III initiation in breast cancer ■ Completion of NEXUS lung cancer trial
Regorafenib	<ul style="list-style-type: none"> ■ Initiation of phase III (colorectal cancer 3/4th line)
VEGF-Trap-Eye	<ul style="list-style-type: none"> ■ First data from phase III program in wet-AMD (VIEW program)
Riociguat	<ul style="list-style-type: none"> ■ Phase III decision for PH-ILD
Visanne	<ul style="list-style-type: none"> ■ Launch for treatment of endometriosis (EU)
Potential newsflow from products in registration	<ul style="list-style-type: none"> ■ Xarelto (VTE prevention after hip/knee replacement surgery) (US) ■ Qlaira (OC and treatment of heavy/prolonged menstrual bleeding) (US) ■ Levitra orodispersible tablet (US, EU) ■ YAZ plus (US)

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