



## First Quarter 2003 Results

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### Safe Harbor



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## Q1'03 – Successful start to the year



### Predominant factors:

- (1) Strong local currency growth
- (2) Efficiency & restructuring measures beginning to bear fruit
- (3) Economic situation remains uncertain / fragile
- (4) Far-reaching portfolio changes
- (5) Raw material costs up

➔ **Group operating performance significantly improved**

➔ **Net-debt reduction continues**

➔ **FY2003 Outlook confirmed**

## Components of Q1 Sales Trend



€ million

	Q1'03	Q1'02	Δ%		
<b>Sales</b>	7,356	7,233	+ 1.7		
• Discontinuing	0	223	•		
• Continuing	7,356	7,010	+ 4.9		
<b>+ Acquisitions / Divestitures</b>		880	+ 12.5	<b>Aventis CropScience</b>	983
				<b>Tectrade</b>	4
				<b>Visible Genetics</b>	4
				<b>Household Insecticides</b>	(96)
				<b>Organic Pigments</b>	(15)
<b>+ Currencies</b>		(767)	- 10.9		
<b>+ Prices</b>		(2)	0.0		
<b>+ Volumes</b>		235	3.3		
• Continuing		346	+ 4.9		

# Q1 Financial Highlights



€ million

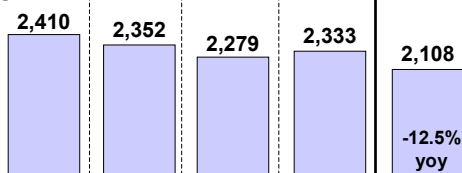
	Q1'03	Q1'02	Δ%
Sales	7,356	7,233	+ 1.7
Sales (cont.)	7,356	7,010	+ 4.9
EBIT	1,075	840	+ 28.0
EBIT (cont.)	1,075	818	+ 31.4
One time items	242	354	•
EBIT (cont. underlying)	833	464	+79.5
EBITDA	1,782	1,488	+ 19.8
Non-operating result	(172)	(157)	- 9.6
Pre-tax income	903	683	+ 32.2
After-tax income	593	524	+ 13.2
Net income	586	523	+ 12.0
Gross Cashflow	1,402	834	+ 68.1
Net Cashflow	163	240	- 32.1
Earnings/share (€)	0.80	0.72	+ 11.1

# HealthCare Quarterly Performance



€ million

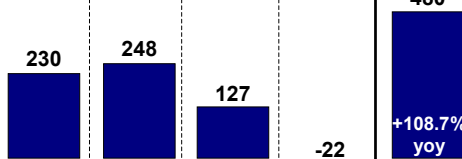
## Sales



- Currency and portfolio adjusted 6% top-line growth

- Underlying Q1'03 EBIT up 23 percent yoy (287 vs. 234 prev. year)

## EBIT



- Pharma: encouraging profit growth

- Consolidation of turnaround in Biologicals continues

- Strong underlying performance of Consumer Care

Quarter	EBITDA (€ million)
Q1'02	394
Q2'02	405
Q3'02	306
Q4'02	216
Q1'03	605

## Top 10 Pharma / Biological Products



€ million

		Q1'03	Δ % yoy
1	Cipro	336	- 17
2	Adalat	154	- 26
3	Kogenate*	109	+ 30
4	Avelox	108	+ 59
5	Glucobay	70	- 7
6	Gamimune*	60	- 21
7	Trasylol	40	- 4
8	Prolastin*	40	- 5
9	Aspirin Cardio	24	+ 21
10	Levitra	9	•

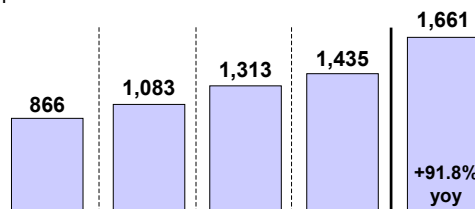
\*) Biological Product

## CropScience Quarterly Performance

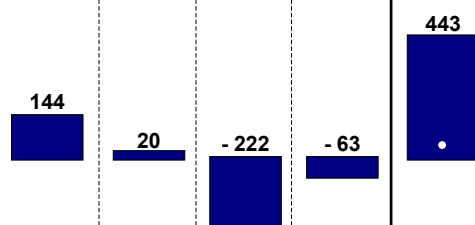


€ million

Sales



EBIT



EBITDA



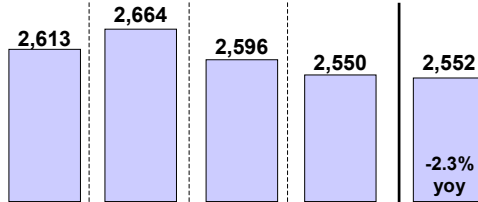
- Formation of Bayer CropScience on schedule
- Q1 Top-line including € 983m ACS business
- Q1 EBIT including € 33m disposal gains, and profit contribution from Fipronil until March

## Polymers Quarterly Performance\*

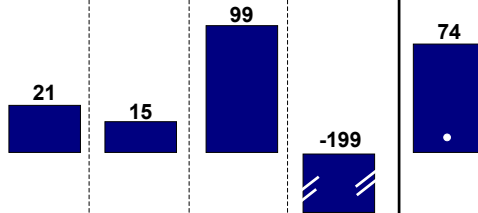


€ million

### Sales



### EBIT



### EBITDA



\*restated

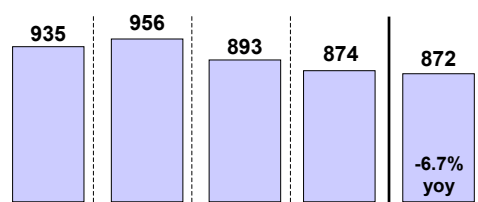
- Currency adjusted nearly 8% sales growth
- Encouraging volume growth offset by selling prices
- Higher raw material costs negatively impacted bottom line
- Rubber & rubber chemicals especially weak
- Situation in engineering thermoplastics improving
- Polyurethane margins hit by higher raw material costs

## Chemicals Quarterly Performance\*

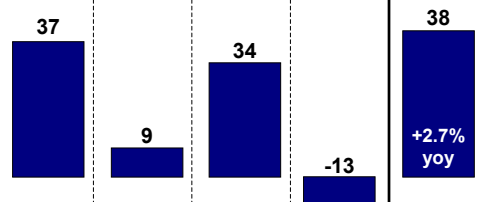


€ million

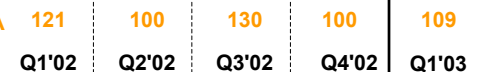
### Sales



### EBIT



### EBITDA



\*restated

- Currency and portfolio adjusted top-line growth of 4 %
- Restructuring efforts beginning to bear fruit
- Wolff could maintain sales and profits compared to prev. year
- H.C.Starck continues to suffer from weak demand

## Q1 Non-Operating Result



€ million

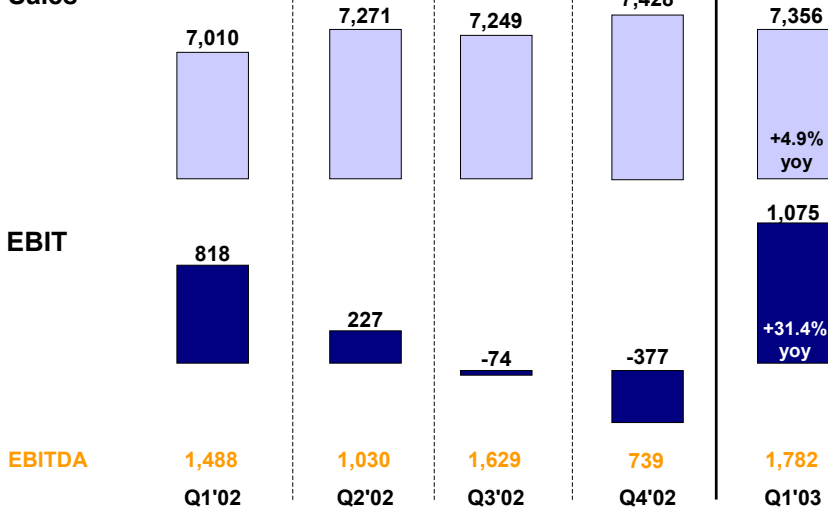
	Q1'03	Q1'02	Δ%
<b>Non-operating result</b>	<b>(172)</b>	<b>(157)</b>	<b>- 9.6</b>
• Income from affiliated companies – net	14	3	•
• Interest expense – net	(113)	(62)	- 82.3
• Interest portion of pension provisions	(67)	(67)	•
• Exchange gain – net	(8)	(10)	-20.0
• Miscellaneous – net	2	(21)	•

## Group Quarterly Performance (cont.)\*



€ million

**Sales**



\* restated

# Q1 One Time Items



€ million

	Q1 / 2003			Q1 / 2002			Δ
	Charge	Gain	Net	Charge	Gain	Net	
HealthCare	(10)	203	193	(4)	0	(4)	197
CropScience	(1)	34	33	0	0	0	33
Polymers	(17)	0	(17)	(92)	0	(92)	75
Chemicals	(2)	0	(2)	(2)	0	(2)	0
Reconciliation	(1)	36	35	0	452	452	(417)
<b>Continuing</b>	<b>(31)</b>	<b>273</b>	<b>242</b>	<b>(98)</b>	<b>452</b>	<b>354</b>	<b>(112)</b>
Discontinuing	0	0	0	0	0	0	0
<b>Total</b>	<b>(31)</b>	<b>273</b>	<b>242</b>	<b>(98)</b>	<b>452</b>	<b>354</b>	<b>(112)</b>

# Polymers – Raw material and selling price development

