



**Science For A Better Life**



**Investor Presentation  
FY/Q4 2007**

# Important Information



This presentation may contain forward-looking statements based on current assumptions and forecasts made by Bayer Group or subgroup management. Various known and unknown risks, uncertainties and other factors could lead to material 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 Bayer's public reports which are available on the Bayer website at [www.bayer.com](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.



- Transformation process has paid off
- Successful strategy reiterated
- Attractive new growth opportunities
- Record performance in 2007
- Strong outlook for 2008 and beyond

## The New Bayer – A Leader in its Markets

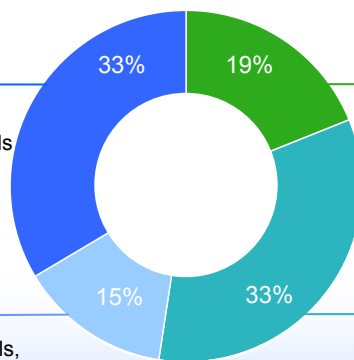


### Pharmaceuticals

€10.3bn  
Rx specialty pharmaceuticals  
global # 6

### Consumer Health

€4.5bn OTC pharmaceuticals,  
blood glucose meters and  
veterinary medicines,  
global # 2-4



### CropScience

€5.8bn agrochemicals and  
seeds business,  
global # 1 in agrochemicals

### Material Science

€10.4bn polyurethanes and  
polycarbonate business,  
global # 1

**Group €32.4bn  
2007 sales**

Break-down excluding reconciliation sales

# Transformation Strategy Has Clearly Paid Off



## Achievements between 2002 and 2007

### Delivering growth and performance

- Attractive returns over cost of capital at record levels
- Underlying EBIT quintupled from €0.8bn to €4.3bn
- Improved underlying EBITDA margin by 9 percentage points to 21%

### Improving portfolio

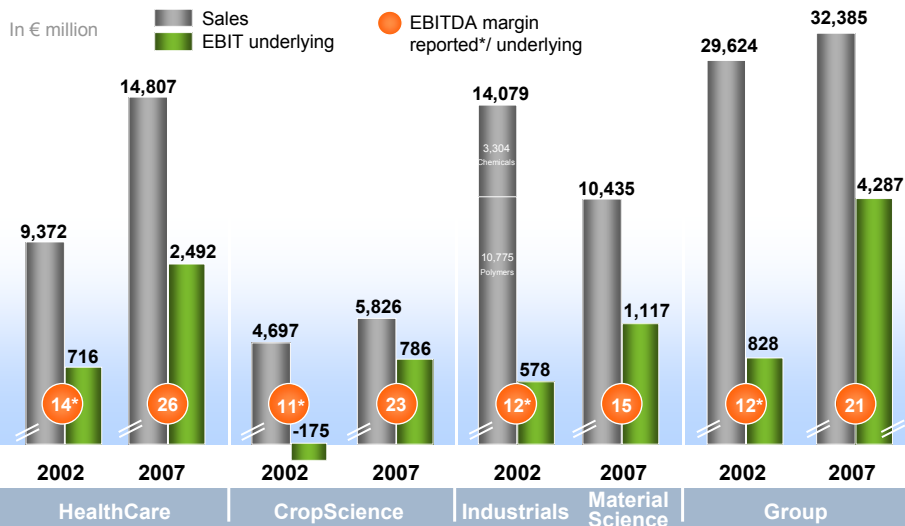
- Portfolio balance shifted towards HealthCare (from 32% to 48%)
- Rx and OTC pharmaceuticals businesses doubled in size
- Now market leader in agrochemicals
- All mature chemicals activities exited in several stages

### Developing new growth opportunities

- Developed a pharma pipeline with the potential to transform the business
- €1.4bn sales with new CropScience products (yoy +33%)
- Material Science business expanded into China

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## Bayer's Transformation – A Period of Significant Progress



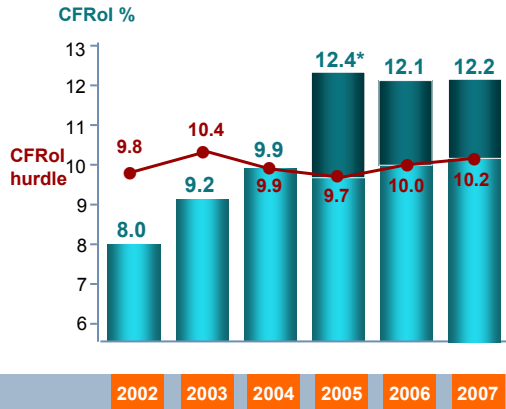
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All 2002 numbers as restated in 2003, except Industrials and Group EBITDA (as reported in 2002)

# Attractive Returns Over Cost of Capital



## Value Generation in 2007



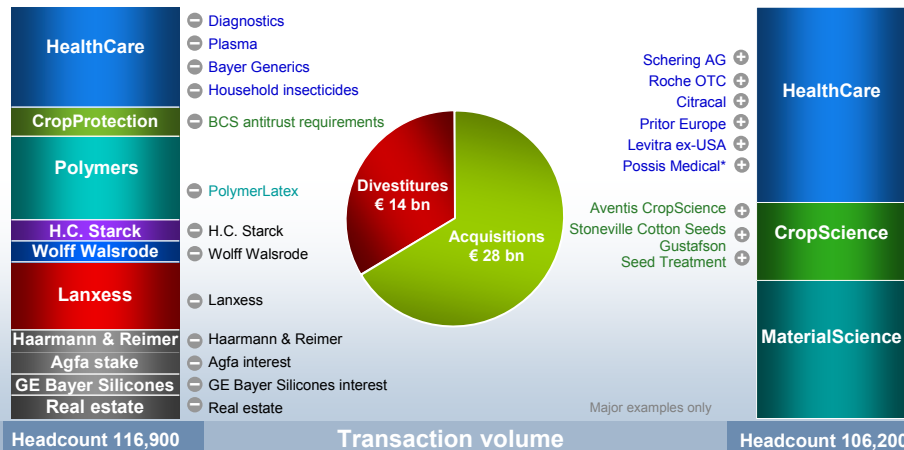
- CVA of €749m
- CropScience and MaterialScience exceeded their target returns
- CFROl is the ratio of gross cash flow to capital invested (€39.2bn)
- CFROl-hurdle (10.2%) is the minimum return required to cover cost of capital and reproduction of depletable assets
- Group WACC at 7.5%

# Portfolio Balance Clearly Shifted Towards HealthCare



2001 Sales € 30.3bn

2007 Sales € 32.4bn

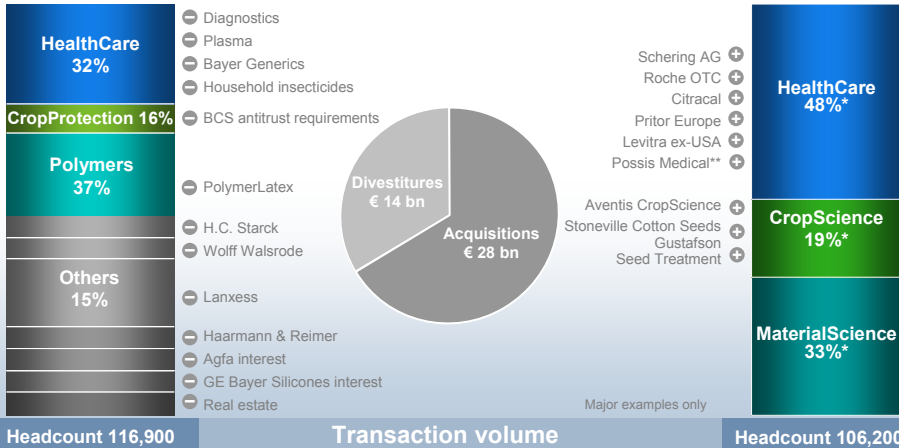


# Portfolio Balance Clearly Shifted Towards HealthCare



2001 Sales € 30.3bn

2007 Sales € 32.4bn



\*excluding Reconciliation sales  
\*\*pending

# Bayer's Successful Strategy



## Strategic Direction



- Deliver growth and performance
- Strengthen HealthCare
- Stay in CropScience, continue to explore opportunities in seeds
- Stay in MaterialScience, organic growth as priority
- Develop new growth opportunities

## Transaction Financing



- Balanced mix of debt, equity and portfolio if needed
- Maintaining "single A" credit rating target

## Probable Timing



- Steady monitoring and active management. Acquisitions and disposals are therefore part of our regular business activities

## Mid-term Financial Targets



### Underlying EBITDA margin

**Bayer HealthCare**



around 28% in 2009

**Bayer CropScience**



approximately 25% in 2009

**Bayer MaterialScience**



>18% under favorable economic conditions



Group exceed 22% in 2009



■ Attractive new growth opportunities

# Our Pharma R&D Pipeline Provides a Balanced Mix of NME and LCM Opportunities



	Phase I	Phase II	Phase III	Submitted
No. of projects	13	19	21	8
	<ul style="list-style-type: none"> <li>PH in COPD</li> <li>Elastase Inhibitor</li> <li>Pancreatic Cancer / Melanoma</li> <li>L19-Interleukin 2</li> <li>Cancer</li> <li>L19-SIP</li> <li>Colorectal Cancer</li> <li>L19-TNFalpha</li> <li>Breast Cancer</li> <li>Novel SERD</li> <li>ACS</li> <li>Dual FIIa/Xa Inhibitor</li> <li>Hypogonadism Treatment of-Ment</li> <li>Gastro IBD</li> <li>Lipoxin</li> <li>DME</li> <li>VEGF Trap-Eye</li> <li>Alzheimer PET Imaging</li> <li>AV1ZK</li> <li>Cancer</li> <li>DAST Inhibitor</li> <li>Menopausal Management</li> <li>ERB Agonist</li> <li>Fast Dissolving Tablet</li> <li>Levitra</li> </ul>	<ul style="list-style-type: none"> <li>A3b</li> <li>Adenosine A1 Agonist</li> <li>Acute Heart Failure</li> <li>sGC Activator</li> <li>Pulmonary Hypertension</li> <li>sGC Stimulator</li> <li>ACS</li> <li>Rivaroxaban</li> <li>RCC 1st / 3rd line</li> <li>L19-Interleukin 2</li> <li>Breast Cancer</li> <li>ZK-PRA</li> <li>Lung / Ovar / Breast / Prostate</li> <li>Saporinone (ZK-EPO)</li> <li>Parkinson's Disease</li> <li>Spharamine</li> <li>Heart Failure</li> <li>sGC Stimulator</li> <li>Gram-neg. VA Pneumonia</li> <li>Amikacin inhaled (NKTR-061)</li> <li>Liposomal Formulation</li> <li>Kogenate</li> <li>Breast Cancer</li> <li>Nexavar</li> <li>Additional Indications</li> <li>Nexavar</li> <li>Fertility Control</li> <li>PC Patch / Fidencia</li> <li>New Indications</li> <li>Vardenafil</li> <li>Lung Infection</li> <li>Cipro inhaled</li> <li>OC</li> <li>E2+DRSP</li> <li>OC</li> <li>OC+DHEA</li> <li>OC</li> <li>Valette plus</li> </ul>	<ul style="list-style-type: none"> <li>Medical III</li> <li>Rivaroxaban</li> <li>SPAF</li> <li>Rivaroxaban</li> <li>VTE Treatment</li> <li>Rivaroxaban</li> <li>wetAMD</li> <li>VEGF Trap-Eye</li> <li>Melanoma, 1st line</li> <li>Nexavar</li> <li>NSCLC, 1st line</li> <li>Nexavar</li> <li>Multiple Sclerosis</li> <li>Alemtuzumab</li> <li>Bone Met. Prevent. in Breast Cancer</li> <li>Bonefos</li> <li>Dysmenorrhoea (J)</li> <li>YAZ</li> <li>DUB</li> <li>DUB-OC (E2/DNG)</li> <li>Fertility Control</li> <li>YAZ Flex</li> <li>Menorrhagia</li> <li>Mirena</li> <li>Menopausal Management</li> <li>Angeltiq low-low</li> <li>Vasiano</li> <li>Erdemotrisis</li> <li>Fertility Control</li> <li>Tasmin plus / YAZ plus</li> <li>Fertility Control</li> <li>LCS (ULD LNG)</li> <li>CT</li> <li>Ultravist 370</li> <li>New Indications (US)</li> <li>Avelox</li> <li>1st + 2nd line aggr. NHL</li> <li>Zevalin</li> <li>ACS</li> <li>Aspirin I.V.</li> <li>MRI (USA, Asia)</li> <li>Gabovist</li> </ul>	<ul style="list-style-type: none"> <li>CKD (J)</li> <li>Fosrenol</li> <li>VTE Prevention</li> <li>Rivaroxaban</li> <li>VMS</li> <li>Menostar transdermal</li> <li>HRT (J)</li> <li>E2 / LNG</li> <li>WRI (J)</li> <li>Magnestiv MRA</li> <li>PID / New Indications (EU)</li> <li>Avelox</li> <li>1st line indolent NHL</li> <li>Zevalin</li> <li>OC</li> <li>DUB-OC (E2/DNG)</li> </ul>
				<ul style="list-style-type: none"> <li>New Molecular Entities (NME)</li> <li>Life Cycle Management (LCM)</li> </ul>
				<p>Status as of Feb 28 2008</p>

# Anticoagulants – A Large Unmet Medical Need



Market	Medical Need
<p><b>2006</b> <b>\$5.3bn</b></p> <ul style="list-style-type: none"> <li>LMWHs</li> <li>UFH</li> <li>Vitamin K antag.</li> <li>Other injectables</li> <li>Novel oral anticoagulants</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 6.5 million people worldwide are affected annually by venous thromboembolism (VTE)</li> <li>Up to 600,000 people are hospitalized in the U.S. each year for deep vein thrombosis (DVT)</li> <li>Approx. 8.5 million AFIB patients in Europe, Japan and U.S. (prevalence)</li> <li>AFIB patient has a 5-fold higher risk of stroke events</li> </ul>
<p><b>2016e</b> <b>\$15.1bn</b></p> <ul style="list-style-type: none"> <li>LMWHs</li> <li>UFH</li> <li>Vitamin K antag.</li> <li>Other injectables</li> <li>Novel oral anticoagulants</li> </ul>	
<p>Source: IMS</p> <p>Bayer Investor Handout • Q4'07 • March 1/08 • Page 12</p>	



## Pivotal Phase III Data Show Superior Efficacy of Xarelto over Enoxaparin\*



### RECORD 1 RECORD 2 RECORD 3

- Double-blind, randomized, controlled Phase III study for VTE Prevention in elective total knee or hip replacement patients vs. enoxaparin
- Xarelto consistently demonstrated superior efficacy vs. existing standard of care
- Xarelto has shown a safety profile with low bleeding rates similar to enoxaparin
- More than 14,000 patients have been exposed to Xarelto to date - no evidence of liver signal attributable to Xarelto observed
- No evidence of liver signal attributable to Xarelto in 2,400 patients treated for 3-6 months
- More definite statement on safety can be made upon availability of data from long term exposure to Xarelto
- Clinical data are building further confidence but still some way to go in the clinical development program

\*Published at ASH in Dec. 2007

Submitted for VTE prevention in EU in October 2007. RECORD4 data planned to be presented at EFORT (May 29 – June 1, 2008) in Nice.

## Comprehensive Late-Stage Development Program for Xarelto in Place



Trial status	Indication	Trial design	Dosing	Expected Filing
Phase III <b>RECORD</b>	VTE Prevention in patients undergoing major orthopedic surgery	>12,000 pts, hip replacement or knee replacement vs. standard treatment (enoxaparin)	10mg once daily for 5 weeks (hip) or 14 days (knee)	Filed in EU U.S. mid 2008
Phase III <b>ONSET</b>	VTE Treatment and long-term secondary prevention	~7,500 pts, vs. standard treatment	20mg once daily main dose, treatment duration up to 12 months and beyond	2010
Phase III <b>ROCHESTAFF</b>	Prevention of stroke in patients with atrial fibrillation (SPAF)	~14,000 pts, non-inferiority vs. standard treatment (Warfarin)	20mg once daily main dose, treatment duration 12-24 months	2010
Phase III <b>MAGELLON</b> <i>*expected</i>	VTE Prevention in hospitalized acute medically ill patients	~8,000 pts, vs. standard treatment (enoxaparin)*	10mg once daily for 5 weeks*	2011
Phase II <b>ALOS</b>	Secondary prevention of fatal and non-fatal cardiovascular events in patients with acute coronary syndrome (ACS)	~3,500 pts, on top of standard treatment	Dose finding study, twice and once daily dosing for up to 6 months	2012

## Nexavar – A Franchise Building Opportunity



- Established global brand as targeted cancer therapy
- Dual mechanism – antiangiogenic & antiproliferative
- Established efficacy in two tumor types
- Approved for treatment of renal cell (RCC) and hepatocellular carcinoma (HCC)
- Manageable side-effect profile, well-suited for combination therapy
- >170 clinical studies ongoing

## Nexavar is the Only Approved Systemic Drug with Overall Survival Benefit in Liver Cancer



- Sixth largest cancer indication worldwide (>600,000 new cases/year)
- Growing incidence due to a variety of factors including chronic hepatitis virus infections
- 5-year survival rates: EU <8%, US 11%



- Nexavar's SHARP trial demonstrated 44% improvement in overall survival in hepatocellular cancer (HCC)
- Approved for the treatment of HCC in >30 countries including EU / US, some Asian countries and Australia
- Submitted in Japan and China
- Combinability in HCC demonstrated in a Phase II combination study with Doxorubicin (study was terminated early on success)
- Additional studies (combination, post-TACE, adjuvant setting) ongoing/planned
- Ahead of competition – other targeted therapies in phase II

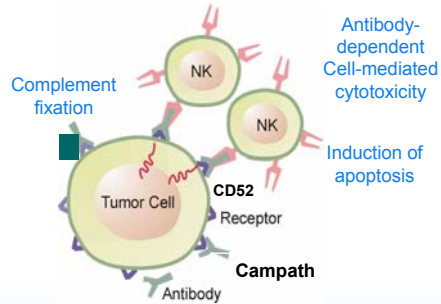
# Alemtuzumab (Campath) in B-Cell Chronic Lymphocytic Leukemia



## Campath

- Humanized monoclonal antibody directed against the CD52 receptor found on B and T cells
- Treatment produces acute cytotoxicity in CD52 bearing cells via 3 immune-mediated reactions
- Launched 2001 for treatment of B-Cell chronic Lymphocytic Leukemia (3rd line)
- Approved by FDA as 1st line single agent B-CLL treatment
- Approved in EU for 1st line therapy of B-CLL if fludarabine combination therapy is not appropriate

## How does Campath work?



# Alemtuzumab Has Demonstrated Best Treatment Effects Ever Seen in a Controlled MS Trial so far



- In a two-year phase II interim analysis Alemtuzumab was significantly more effective than Rebif in suppressing MS relapses and slowing accumulation of disability in MS patients:

Alemtuzumab dose	Reduction in risk for relapse vs. Rebif	Reduction in risk for progression of clinically significant disability	Reduction in disability compared with pre-treatment baseline (EDSS score)
12 mg	72% (p<0.0001)	88% (p<0.0008)	Significant
24 mg	87% (p<0.0001)	66% (p<0.0098)	Significant

- New three-year top-line results presented atECTRIMS 2007 were statistically significant confirming all trends of the one-year and two-year analyses, including the positive impact on disability
  - Patients taking alemtuzumab experienced at least a 73 percent reduction in the risk for relapse and at least a 70 percent reduction in the risk for progression of clinically significant disability after three years of follow up
- Formal database lock of CAMS223 and report on further data expected at AAN in 2008
- Immune Thrombocytopenic Purpura (ITP) – 36 months update
  - 6/216 patients treated with alemtuzumab developed ITP during the study
  - No new cases of ITP in past one year

## Alemtuzumab – Phase III in MS Initiated



- CARE-MS: **C**omparison of **A**lemtuzumab and **R**ebif **E**fficacy in **M**S

### CARE-MS I

Early active RRMS  
Up to 525 treatment naïve patients  
Alemtuzumab 12mg vs. Rebif 44mcg

### CARE-MS II

RRMS in patients previously treated with disease modifying therapy  
Approx. 1,200 patients  
Alemtuzumab 12mg and 24mg vs. Rebif 44mcg

- Randomized, open label, active control studies
- Treatment Duration: 2 years after last patient is enrolled
- Primary Outcome Measure: Time to sustained accumulation of disability (SAD)  
Relapse Rate
- Filing of Alemtuzumab in MS planned for 2011

**Overall efficacy and safety observed in phase II study to be established and confirmed in the phase III program**





## Pipeline Progresses Dynamically: Numerous Projects Expected To Enter Phase III by 2009



Project	Indication	Expected start of phase III	Estimated launch
FC Patch	Contraception	1H 2008	> 2012
Vardenafil (ODT)	Erectile Dysfunction	1H 2008	Tbd.
rThrombin	Surgical Hemostasis (EU)	2H 2008	2010
Amikacin inhaled	Ventilator Associated Pneumonia	2H 2008	2011
Vardenafil	Overactive Bladder	2H 2008	2011
sGC Stimulator	Pulmonary Hypertension	2H 2008	2011
Ciprofloxacin inhaled	Bacterial Infections	1H 2009	2011
ZK-EPO	Solid Tumors	1H 2009	> 2012
Kogenate liposomal	Hemophilia A	2H 2009	2011
Spheramine	Parkinsons Disease	2H 2009	2012
sGC Activator	Acute Heart Failure	2H 2009	2012
Rivaroxaban	Acute Coronary Syndrome	2H 2009	> 2012
Nexavar	Breast Cancer	2H 2009	> 2012

# Agro – A Growing Market



 <b>Growing world population</b>	 <b>Need for alternative energy feedstocks</b>
<ul style="list-style-type: none"> <li>■ increasing food &amp; energy demand</li> <li>■ decreasing farmland per capita</li> </ul>	<ul style="list-style-type: none"> <li>■ increasing demand for renewable energy and biofuel</li> </ul>
 <b>Growing wealth</b>	 <b>Climate change</b>
<ul style="list-style-type: none"> <li>■ increasing meat consumption and need for feed</li> <li>■ decreasing stocks to use</li> </ul>	<ul style="list-style-type: none"> <li>■ yield losses through adverse weather conditions</li> <li>■ need to reduce greenhouse gas emissions, such as CO<sub>2</sub></li> </ul>
<ul style="list-style-type: none"> <li>■ Acreage competition between food, feed, bio-energy crops and fiber</li> </ul>	
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# Attractive Crop Protection Pipeline



	Research	Early development	Advanced development	(Pre-) Launch	already launched
<b>Launch (E)</b>	<b>≥2015</b>	<b>2013-2015</b>	<b>2008-2012</b>	<b>2007-2008</b>	<b>2000-2006</b>
<b>Total</b>	<b>45 Projects</b>	<b>9 A.I.s</b>	<b>10 A.I.s</b>	<b>3 A.I.s</b>	<b>17 A.I.s</b>
<b>Herbicides*</b>	} 42	} 8	4	2	5
<b>Fungicides**</b>			4		6
<b>Insecticides**</b>			2	1	6
<b>Plant Health</b>			3	1	
* incl. safeners ** including seed treatment applications					

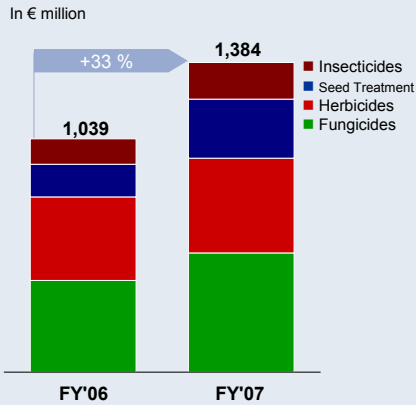


■ Peak sales potential of €2bn from 26 new active ingredients targeted by 2011

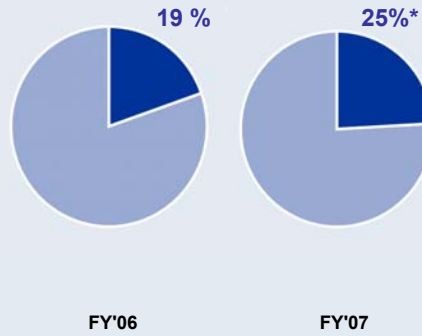
# Innovation at Crop Protection Drives Improvement of Product Mix



## Sales of new a.i.s



## Share of new a.i.s in agchem sales

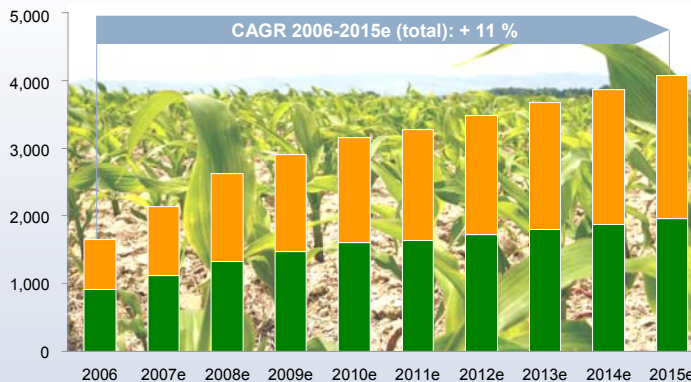


\* Agrochemical sales - include Crop Protection and Environmental Science, exclude BioScience business  
 Crop Protection only: 28.9 % in FY'07

# Growing Demand for Biofuel Boosts Crop Protection and Seeds & Traits Market



Market size  
 in € million



**Seeds & Traits  
 for biofuel crops**

CAGR +12 %

**Crop Protection  
 input for  
 biofuel crops**

CAGR + 9 %

Source: Bayer CropScience estimates

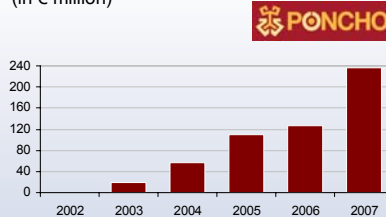
## Participating in Growth of US Corn Seed Market



### Seed Treatment

- With growing trait penetration, higher value seed drives application of insect protection already before sowing
- Poncho® (Clothianidin) has emerged as the product of choice for major US seed companies

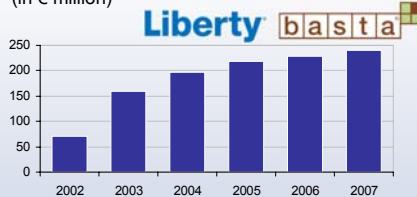
Sales development of Clothianidin  
(in € million)



### Herbicide-tolerant solutions

- New opportunities for LibertyLink® herbicide-tolerance traits in corn and soybeans
- Additional crop protection sales potential for our Liberty® herbicide (Glufosinate-ammonium)

Sales development of Glufosinate-ammonium\*  
(in € million)

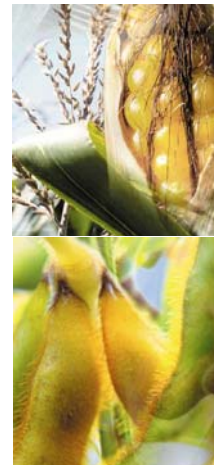


\* Including non-agricultural use  
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## Expand Reach of LibertyLink Technology into Corn and Soy



- Growing weed resistance to glyphosate spurs strong market interest in our LibertyLink technology
- Liberty herbicide (active ingredient: Glufosinate-ammonium) is effective on weeds which are resistant to Glyphosate, making it an excellent resistance management tool
- CropScience granted Monsanto a non-exclusive, royalty-bearing license to LibertyLink technology for use in corn and soybeans
- Collaboration with Mertec LLC and M.S. Technologies LLC to jointly develop and commercialize soybean varieties with herbicide tolerance combinations
- Expansion of production capacities for Liberty herbicide underway



**Potential for significant trait income and sales of our Liberty herbicide**

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# Construction of Bayer's Largest, Fully Integrated Polymer Site Under Way

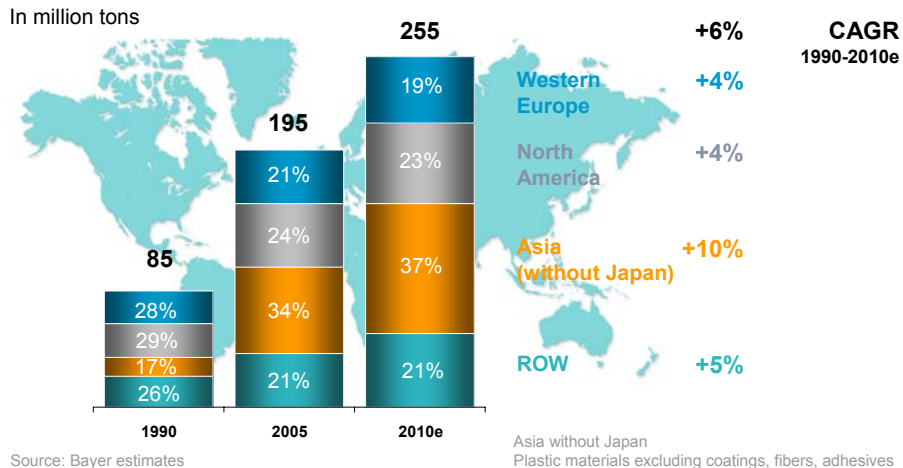


Strengthen our regional competitiveness through local production in China



PUR	PCS	CAS
<b>MDI</b> 80 kt in 2006 (crude MDI splitter) <b>350 kt in 2008*</b>  <b>TDI</b> 300 kt in 2010**	<b>PCS</b> 40 kt in 2005 (PC compounding)  <b>PCS</b> 100 kt in 2006 <b>+100 kt in 2008*</b>	<b>HDI</b> 30 kt in 2006 +20 kt thereafter**  <b>PUD</b> 20 kt in 2008**  <b>Desmodur® N</b> 12 kt in 2003 Expansion in 2008**  <b>Desmodur® L</b> 11 kt in 2004 10 kt in 2007
*under construction **planned All numbers are name plate capacities Dates refer to availability on stream		

# Asia Outpaces Other Regions Global Consumption of Plastic Materials



Fastest business expansion of +10% CAGR expected in Asian polymer market



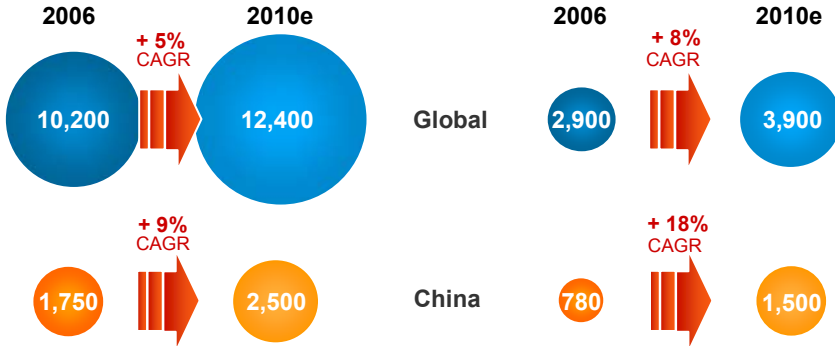
# China Outpaces Global Growth in Our Major Businesses PUR and PCS



## Polyurethanes consumption

In 1000 tons

## Polycarbonates consumption



Bayer estimates, PCS incl. Blends, PUR incl. MDI, TDI and polyether polyols

**China is set to become the world's largest PUR market by 2015**

**China already is the world's largest PCS market today**

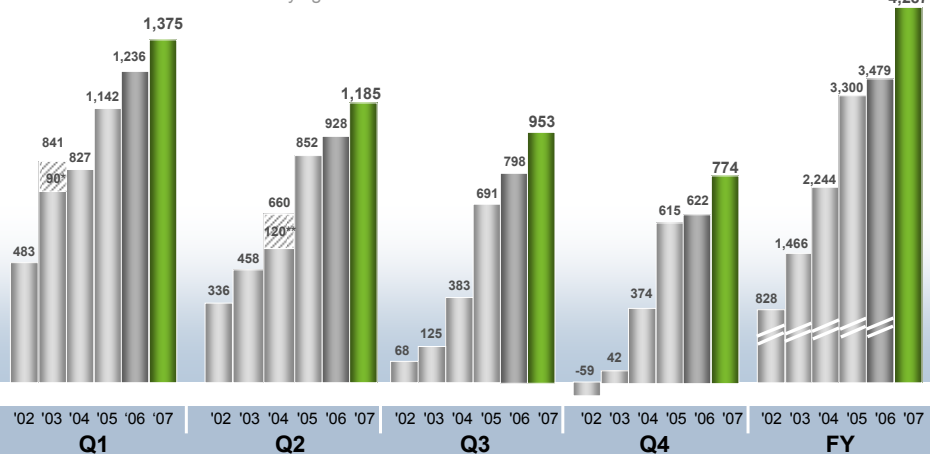


■ Record performance in 2007

## 20 Consecutive Quarters With Y-o-Y Underlying EBIT Improvement



Underlying EBIT in € million



2002 underlying EBIT as reported in FY 2003  
 2003 underlying EBIT as restated in 2004  
 2004-2007 underlying EBIT as reported  
 in respective years

\* Including €90m EBIT from divested products  
 \*\* Including €120m reversal of pension provisions

## FY'07 – Financial Highlights



in € million	FY'06	FY'07	Δ
<b>Sales</b>	28,956	<b>32,385</b>	+ 12%
■ HealthCare	11,724	<b>14,807</b>	+ 26%
■ CropScience	5,700	<b>5,826</b>	+ 2%
■ MaterialScience	10,161	<b>10,435</b>	+3%
<b>EBITDA underlying</b>	5,584	<b>6,777</b>	+ 21%
■ HealthCare	2,613	<b>3,792</b>	+ 45%
■ CropScience	1,204	<b>1,324</b>	+ 10%
■ MaterialScience	1,677	<b>1,606</b>	- 4%
<b>EBIT underlying</b>	3,479	<b>4,287</b>	+ 23%
<b>Non-operating result</b>	(782)	<b>(920)</b>	
<b>Net income</b>	1,683	<b>4,711</b>	+ 180%
<b>Core EPS (in €)</b>	2.99	<b>3.80</b>	+ 27%
<b>Net cash flow</b>	3,928	<b>4,281</b>	+ 9%

## Further Strategic Progress in 2007



<b>Integration of Schering</b>	<ul style="list-style-type: none"> <li>Synergy target raised to &gt;€800m</li> <li>Expect 80% completion in 2008</li> </ul>
<b>Strengthen HealthCare</b>	<ul style="list-style-type: none"> <li>Acquired calcium supplement brand Citracal</li> <li>Possis Medical - mechanical thrombectomy devices (pending)</li> <li>Inlicensed rThrombin, inhaled Amikacin</li> </ul>
<b>Seeds &amp; traits expansion</b>	<ul style="list-style-type: none"> <li>Acquired US cotton seed company Stoneville</li> <li>Expanded reach of Liberty Link-technology into corn and soy</li> </ul>
<b>Restructuring actions</b>	<ul style="list-style-type: none"> <li>New €300m program initiated at MaterialScience</li> <li>Total volume of all programs now ~ €1bn (incl. SCHG) in 2008-2009</li> </ul>
<b>Disposals</b>	<ul style="list-style-type: none"> <li>Professional Diagnostics, H.C. Starck and Wolff Walsrode closed</li> <li>Sale of Hennecke, a polyurethane processing machinery company</li> </ul>
<b>Deleveraging</b>	<ul style="list-style-type: none"> <li>Reduced net debt by €5.4bn in 2007</li> </ul>

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## Q4'2007 – Upward Trend Unabated



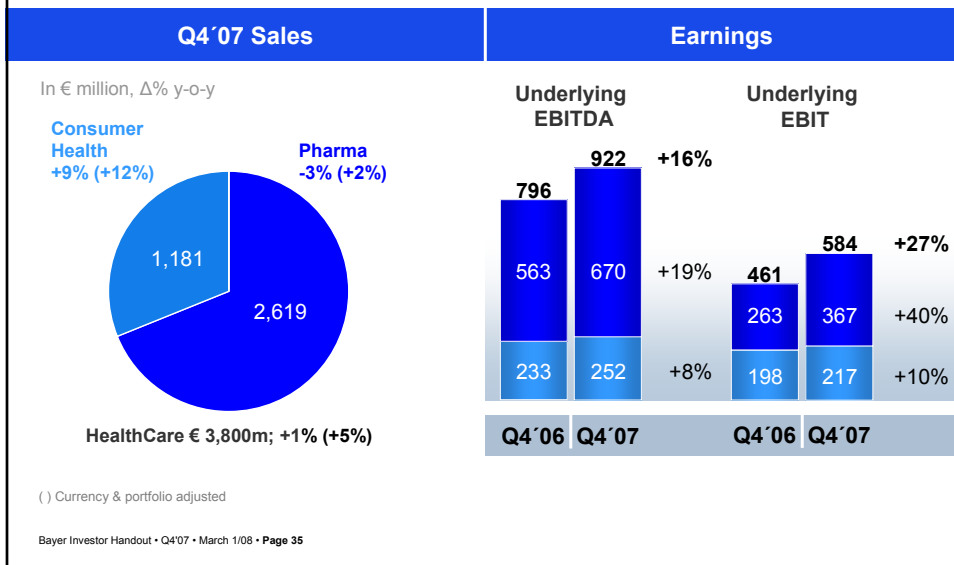
Key Figures					Underlying EBITDA by Subgroup	
In € million, Δ% y-o-y					excl. Reconciliation	
	<b>Sales</b> 8,040	<b>EBITDA*</b> 1,422	<b>EBIT*</b> 774	<b>Core EPS</b> €0.71		
Δ%	+ 1%	+13%	+ 24%	+42%		
Δ% Adj. **	+ 5%					

\* Before special items

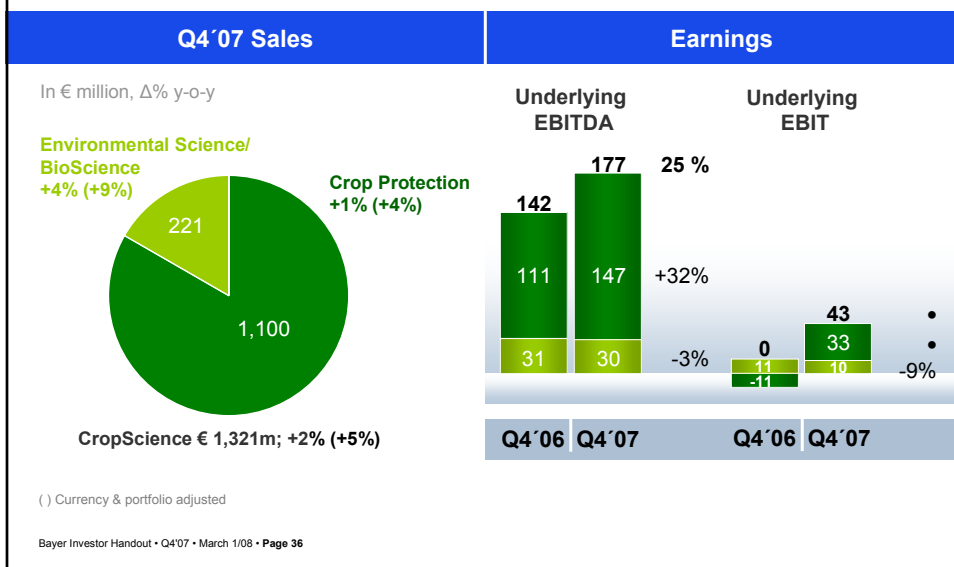
\*\* Currency & portfolio adjusted

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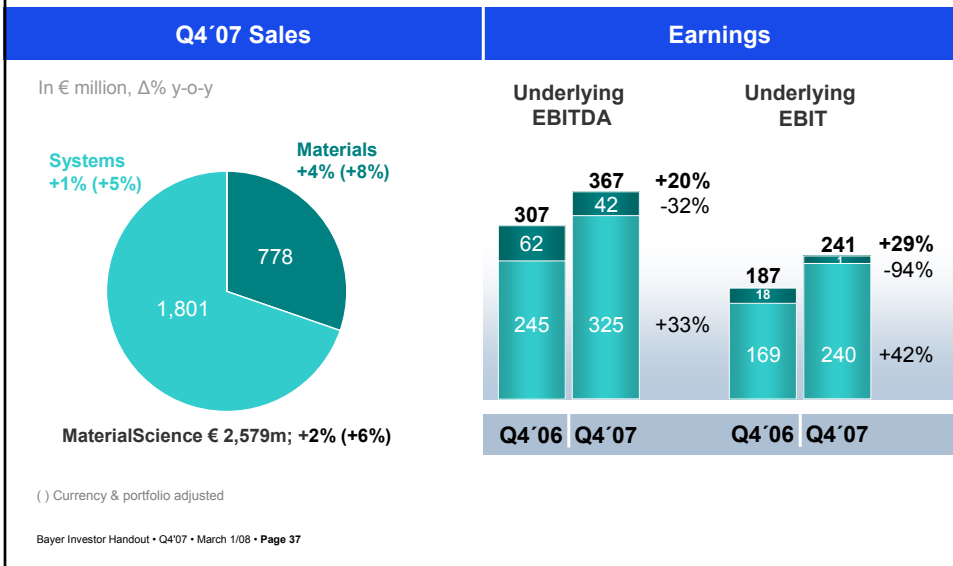
# HealthCare – Strongest Quarter in Terms of Sales in 2007



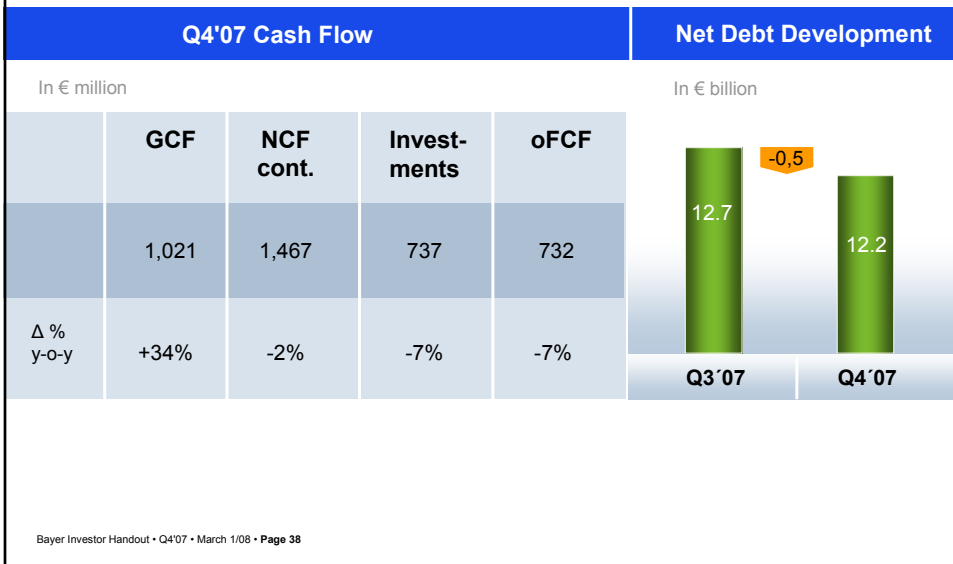
# CropScience – Solid Business Expansion



# MaterialScience – Margins up on Higher Prices



# Q4 '07 – Cash Flow and Net Debt





## ■ Strong outlook for 2008 and beyond

## Optimistic About Future Developments



### 2008 sales and earnings expectations

- **Group**  
Fx adj. sales increase by 5%  
Increase in underlying EBITDA and margin\*
- **HealthCare**  
Fx adj. growth in all divisions at or above market  
Margin\* increase toward 27%
- **CropScience**  
Fx adj. growth of 5%  
Margin\* increase above 23%
- **MaterialScience**  
Higher volumes and good, value-creating earnings level, but below 2007.  
Q1'08 underlying EBITDA approx. at Q4'07 level.

### ... and beyond

- **Group**  
>22% margin\* by 2009
- **HealthCare**  
~28% margin\* by 2009
- **CropScience**  
~25% margin\* by 2009
- **MaterialScience**  
Attractive premium over capital and asset reproduction costs even in difficult market environment. Margin\* in excess of 18% under favorable economic conditions.



## ■ Calendar & Contacts

## Calendar of Events



Date	Event	Publication
Thursday, April 24, 2008	Investor Conference Call	First Quarter Results Stockholders' Newsletter
Friday, April 25, 2008	Annual General Meeting	
Wednesday, July 30, 2008	Investor Conference Call	Second Quarter Results Stockholders' Newsletter
Wednesday, October 29, 2008	Investor Conference Call	Third Quarter Results Stockholders' Newsletter
Tuesday, May 12, 2009	Annual General Meeting	

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