

2000 Spring Investor Conference

1999 Results and Strategic Outlook

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CFO and Member of the Board



1999 Financial Highlights

▼ Sales	Euro	27,320m	- 2.6%
▲ Operating income	Euro	3,357m	+ 6.4%
▼ Non-operating result	Euro	- 521m	- 22.0%
▲ After-tax income	Euro	2,018m	+ 25.0%
▲ Net income	Euro	2,002m	+ 24.0%
▲ Dividend/share	Euro	1.30	+ 27.5%

Components of 1999 Sales Trend

	€ mill	%		€ mill
Group sales 1998	28,062	-		
Acquisitions/ Divestitures	-2,245	- 8.0	Acquisitions	+ 649
			• Chiron	+ 504
			• Gustafson	+ 49
			• Sheet business	+ 72
			• Others	+ 24
Divestitures	- 2,894			
			• Agfa	- 2,548
			• TiO ₂ / Silicones	- 244
			• Citric acid	- 102
Changes in consolidated companies	+ 78	+ 0.3		
Volumes*	+ 1,410	+ 5.0		
Prices*	- 561	- 2.0		
Currencies*	+ 576	+ 2.1		
Group sales 1999	27,320	- 2.6		

*rounded

1999 Quarterly Sales Development

€ million	1999	1998	Δ %
Full year	27,320	28,062	- 2.6
• Agfa	(1,801)	(4,349)	
• DyStar	(325)	(361)	
• Continuing operations	25,194	23,352	+ 7.9
4 th Quarter	6,821	6,887	- 1.0
• Agfa	(14)	(1,080)	
• DyStar	(325)	(361)	
• Continuing operations	6,482	5,446	+ 19.0
3 rd Quarter	6,275	6,661	- 5.8
• Agfa	(9)	(1,055)	
• Continuing operations	6,266	5,606	+ 11.8
2 nd Quarter	7,230	7,182	+ 0.7
• Agfa	(752)	(1,172)	
• Continuing operations	6,478	6,010	+ 7.8
1 st Quarter	6,994	7,332	- 4.6
• Agfa	(1,026)	(1,042)	
• Continuing operations	5,968	6,290	- 5.1

1999 Comparable Operating Income

€ million

	1999	1998	Δ %
OPI reported	3,357	3,155	+ 6.4
Discontinuing operations	(79)	(269)	
● Agfa OPI ('99 only 1–5)	(103)	(263)	
● DyStar	24	(6)	
Agfa IPO & Sale	(1,030)		
Reconciliation	423	251	
Segments	2,671	3,137	– 14.9
Reconciliation	(423)	(251)	
OPI continuing operations	2,248	2,886	– 22.1
Exceptional Items	573	47	
OPI underlying – continuing operations	2,821	2,933	– 3.8

1999 Quarterly OPI Development

€ million	1999	1998	Δ %
4 th Quarter	177	688	- 74.3
• Agfa OPI		(45)	
• Agfa IPO & Sale	(10)		
• DyStar	24	(6)	
• Exceptional Items	438	(43)	
• OPI underlying – continuing operations	629	594	+ 5.9
3 rd Quarter	624	758	- 17.7
• Agfa OPI		(67)	
• Agfa Sale	(67)		
• Exceptional Items	87	4	
• OPI underlying – continuing operations	644	695	- 7.3
2 nd Quarter	1,766	867	+103.7
• Agfa OPI ('99 only 4–5)	(34)	(86)	
• Agfa IPO	(952)		
• Exceptional Items	60	(28)	
• OPI underlying – continuing operations	840	753	+ 11.6
1 st Quarter	790	842	- 6.2
• Agfa OPI 1-3 '99	(70)	(65)	
• Exceptional Items	(12)	114	
• OPI underlying – continuing operations	708	891	- 20.5

1999 OPI Development

€ million

Sales continuing	25,194	+ 7.9 %
OPI-underlying continuing operations	2,821	- 3.8 %
● Chiron integration	81	
● Biological products	70	
● Y2K	122	
● SAP	64	
OPI-adjusted	3,158	+ 7.7 %
Research & Development continuing operations	+ 330	+ 18.2 %

1999 Exceptional Items

1999

1998

€ mill	Charge	Gain	Net	Charge	Gain	Net	Δ Net
Health Care	- 248	+ 1	- 247	- 29	+ 61	+ 32	- 279
Agriculture	- 51	+ 64	+ 13	- 2	0	- 2	+ 15
Polymers	- 244	0	- 244	- 93	0	- 93	- 151
Chemicals	- 52	+ 8	- 44	- 78	+ 2	- 76	+ 32
Reconciliation	- 51	0	- 51	- 38	+ 130	+ 92	- 143
Total	- 646	+ 73	- 573	- 240	193	- 47	- 526

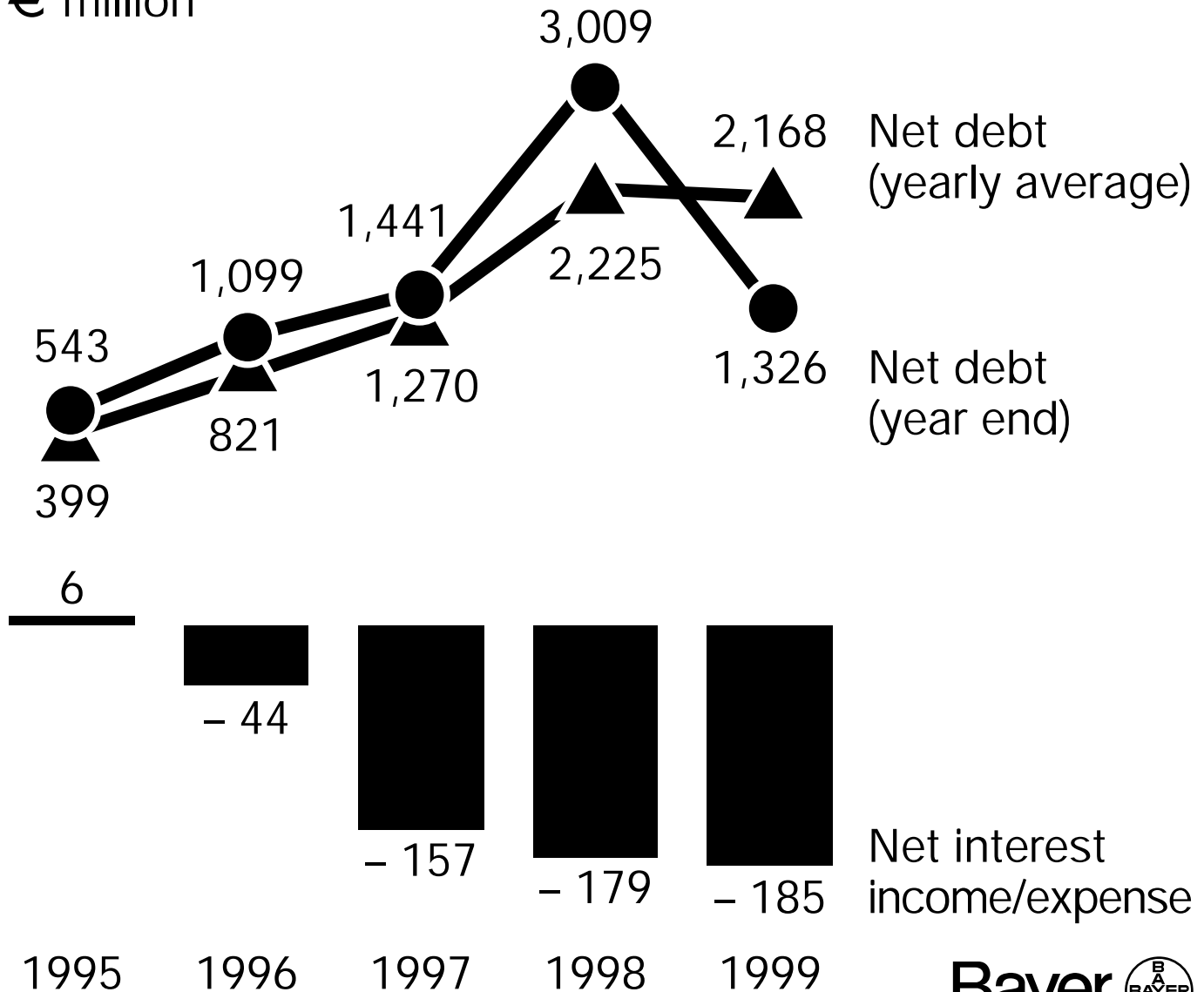
1999 Non-operating Result

€ million

	1999	1998
Income from affiliated companies-net	- 31	21
Net interest charge	- 185	- 179
Interest on pension provisions & other expenses-net	- 305	- 269
Total	<u>- 521</u>	<u>- 427</u>

Net Debt and Net Interest Charge

€ million



1999 Sales by Region

Total € 27,320 million, - 2.6 %

Continuing Operations € 25,194 million, + 7.9 %

Germany

- 0.3 %

8,304

7,723

12,791

3,068

1,612

Europe

+ 1.6 %

(+ 1.6 %)

North
America

+ 15.1 %

(+ 11.3 %)

Latin America

- 4.0 % (- 6.4 %)

Asia/Africa/Australia

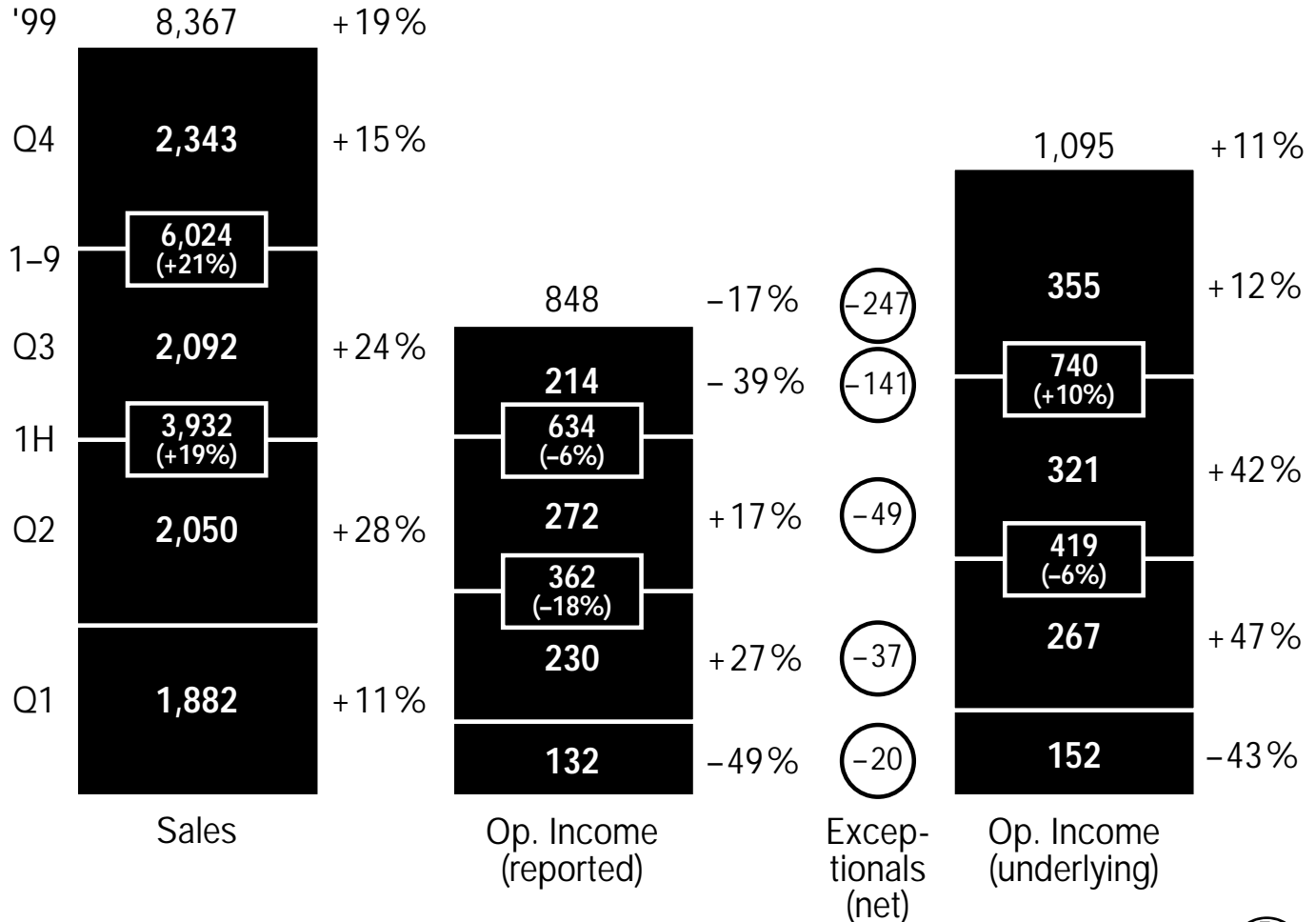
+ 29.3 % (+ 17.2 %)

point of origin () change in local currencies

Bayer 

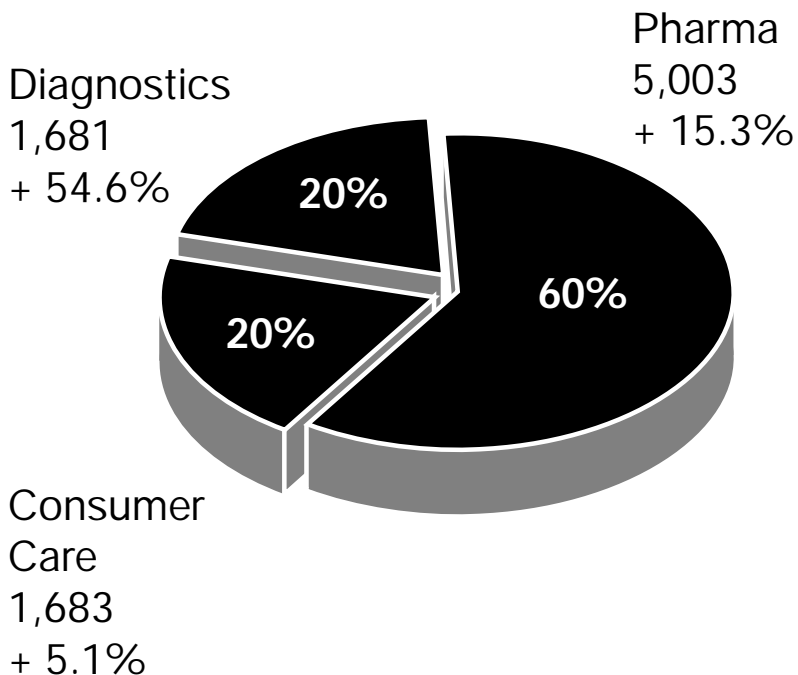
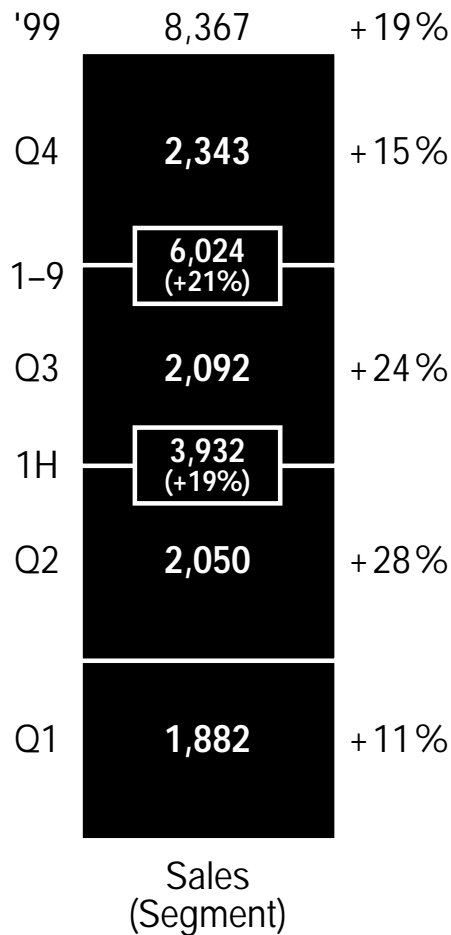
Health Care – Strong Growth and Excellent Perspectives

€ million



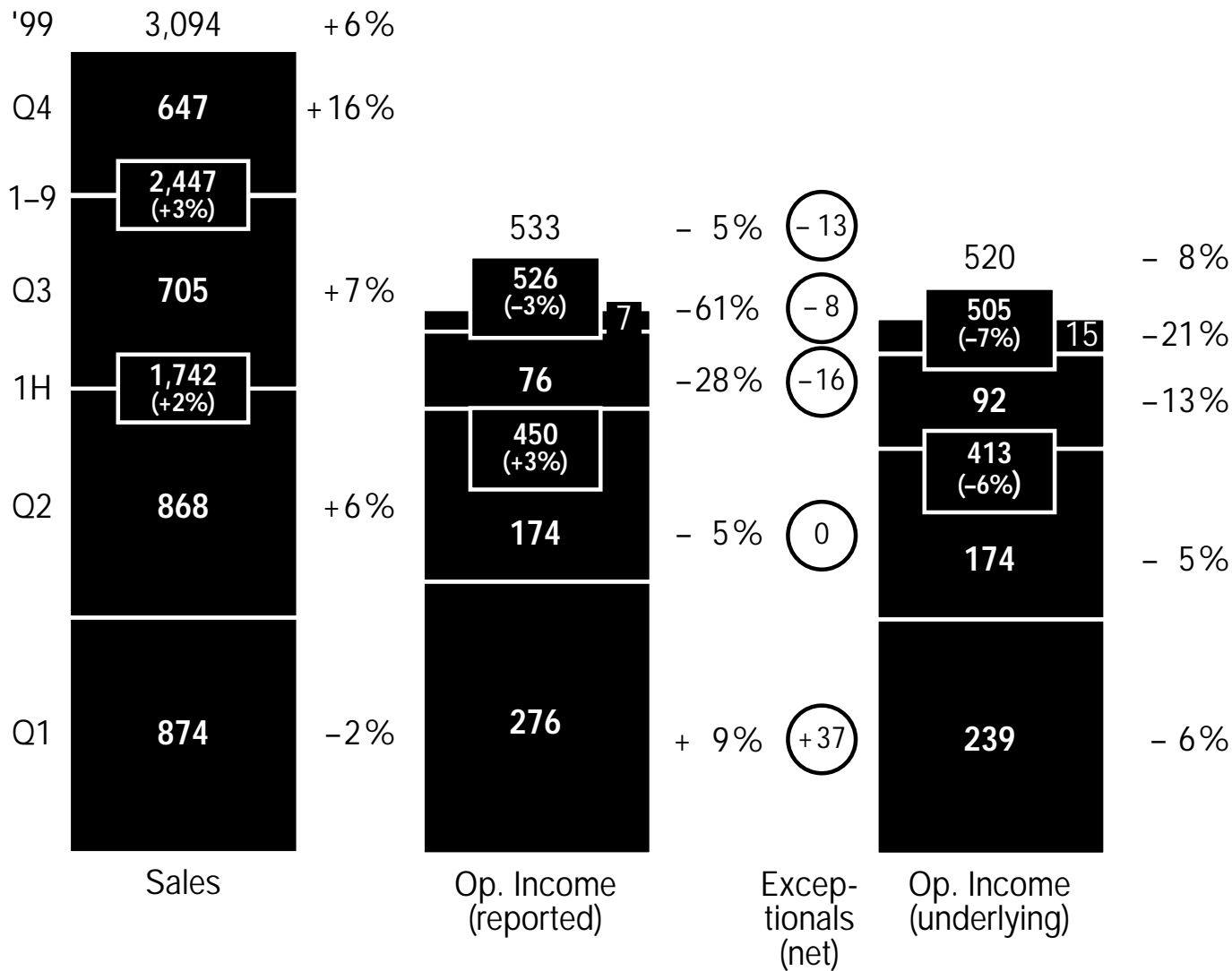
Health Care – Quarterly Sales Development and Sales by Business Groups

€ million



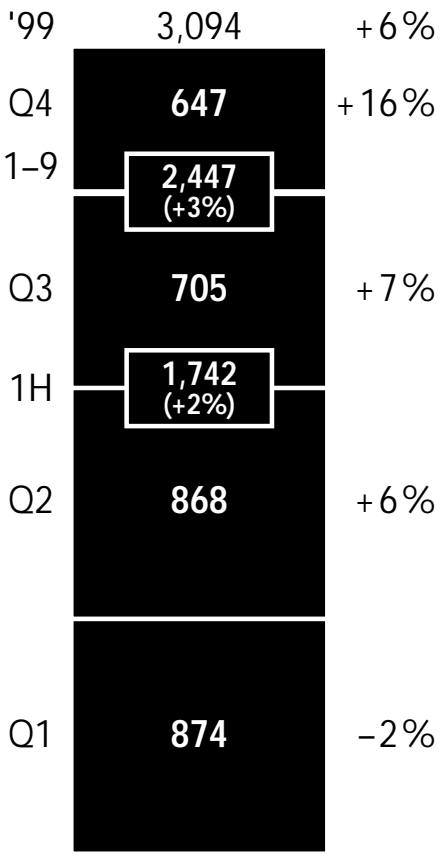
Agriculture – Strong in Difficult Environment

€ million



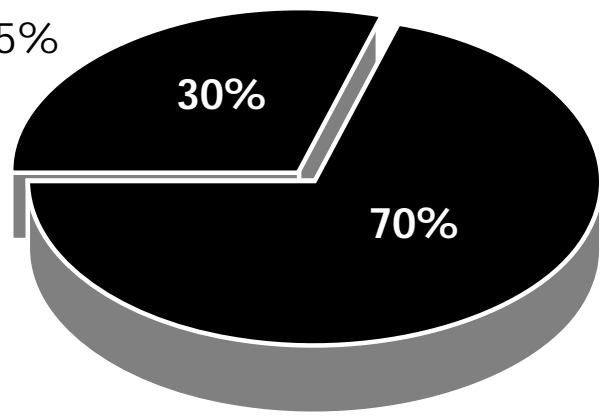
Agriculture – Quarterly Sales Development and Sales by Business Groups

€ million



Sales
(Segment)

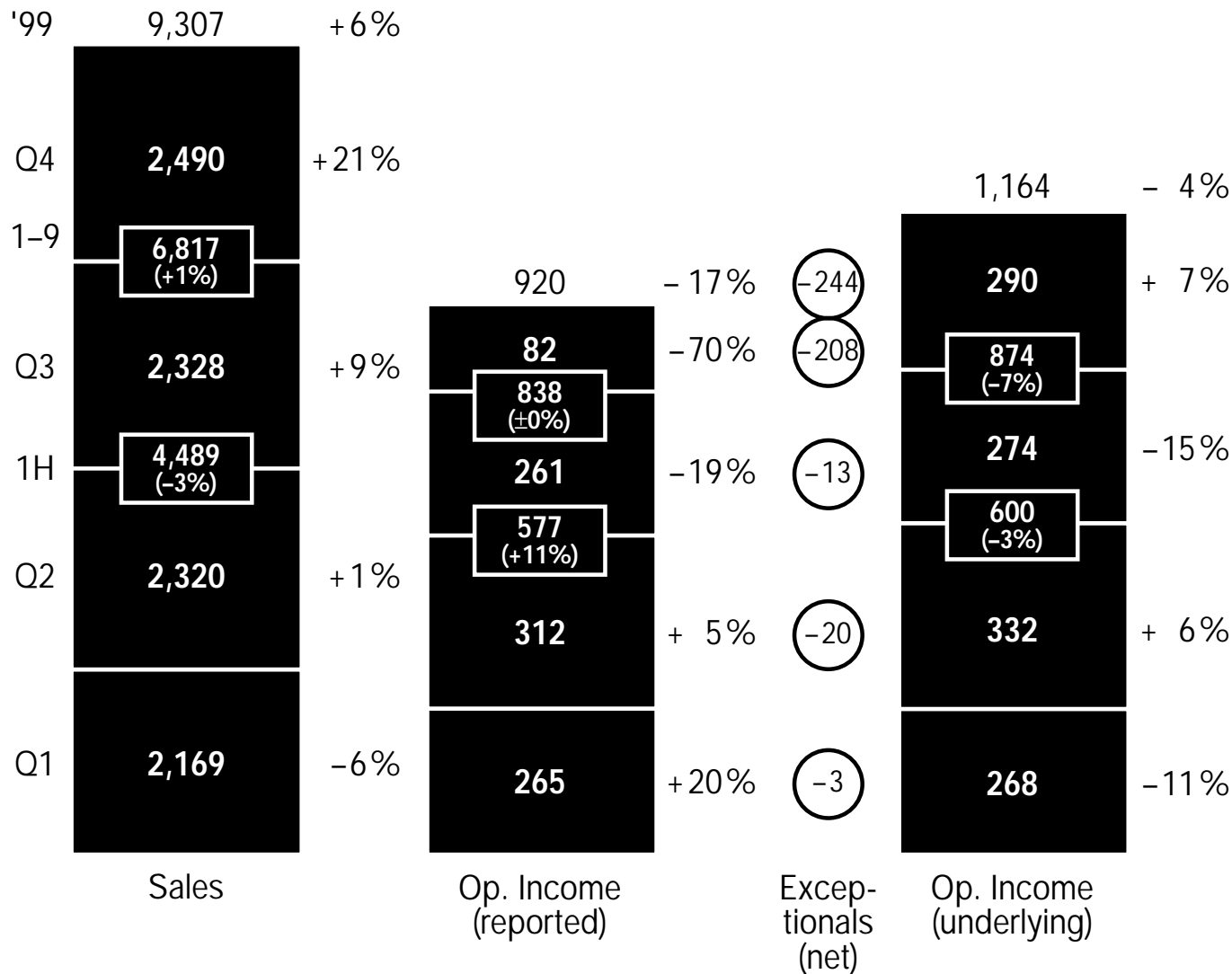
Animal Health
917
+ 3.5%



Crop Protection
2,177
+ 6.5%

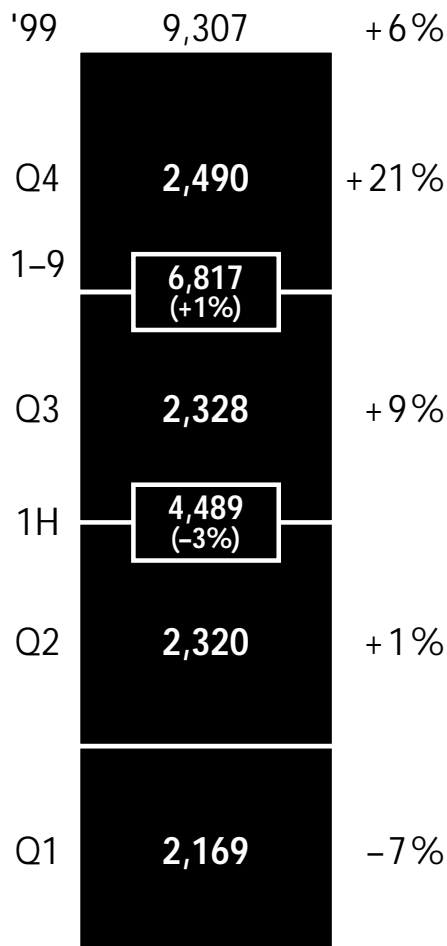
Polymers – Substantial Growth Potential

€ million

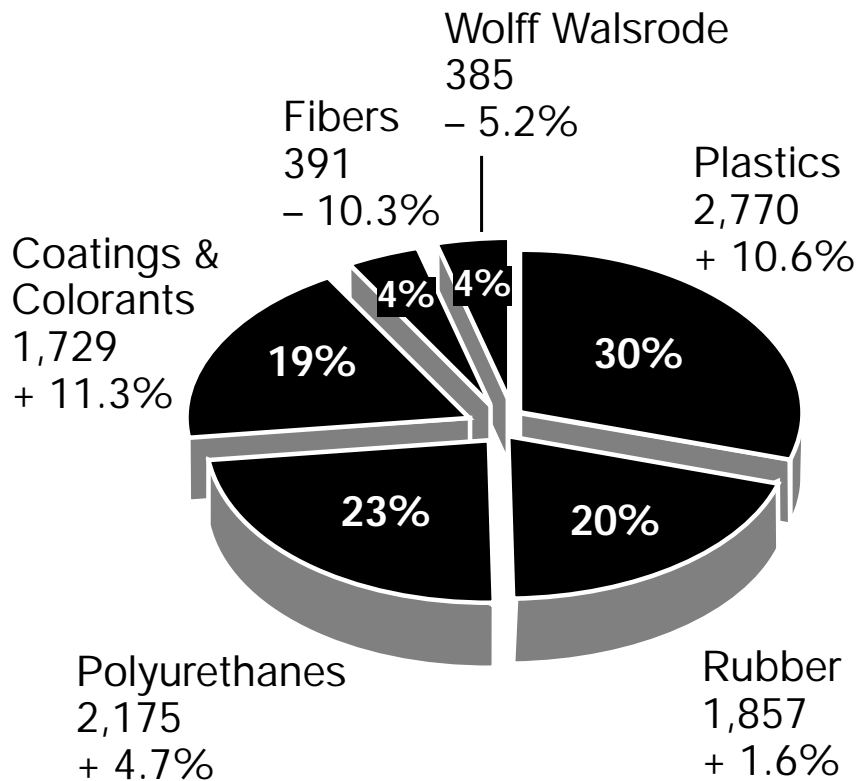


Polymers – Quarterly Sales Development and Sales by Business Groups

€ million

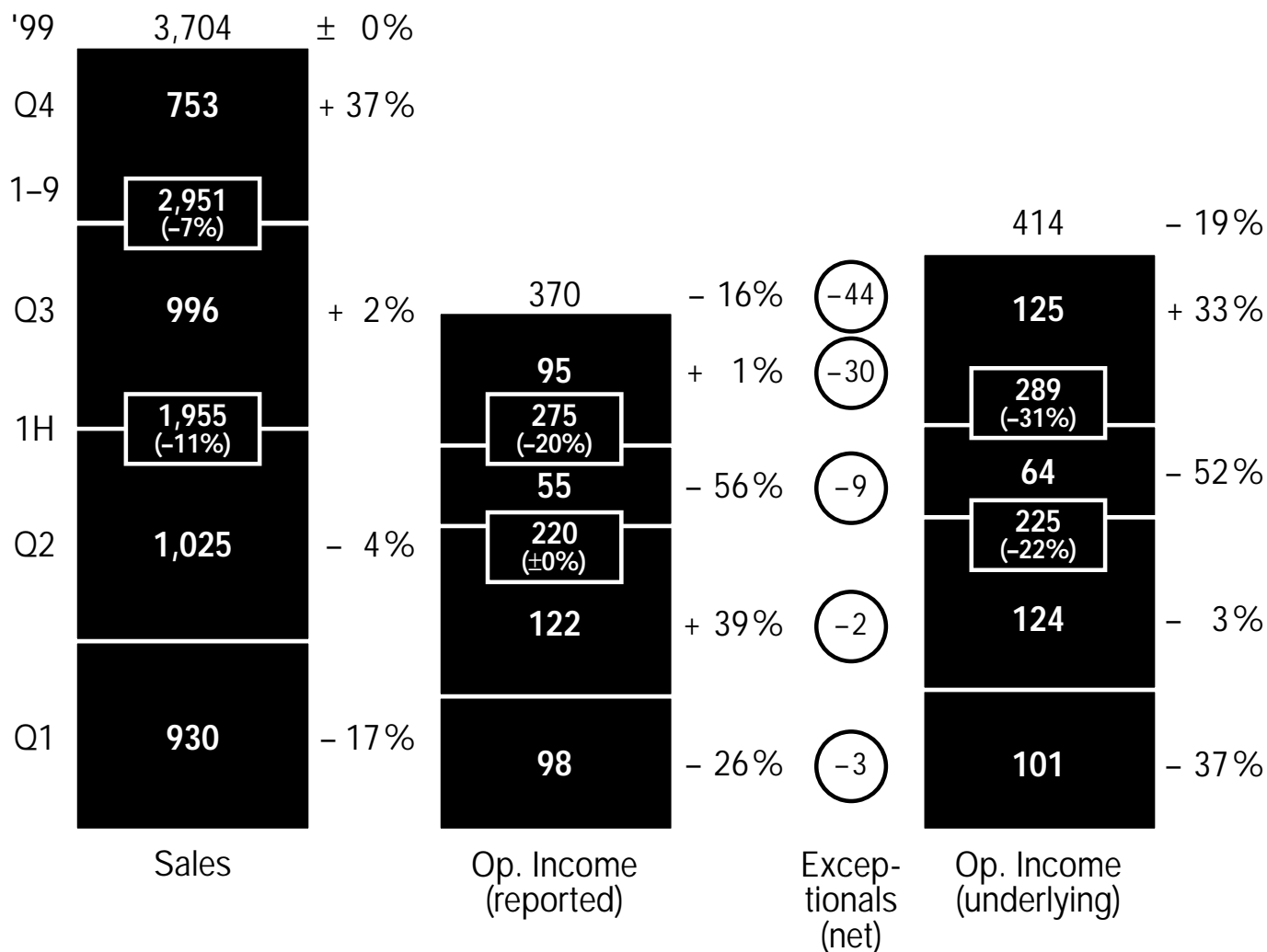


Sales
(Segments)



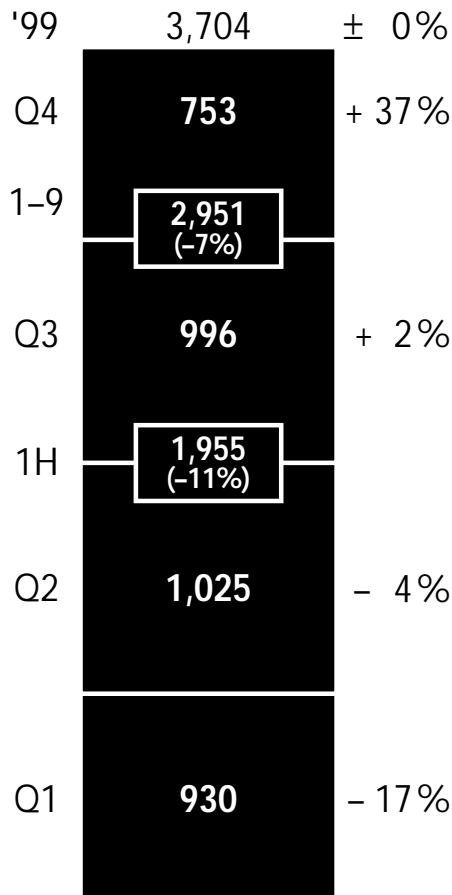
Chemicals – New Strategic Alignment

€ million

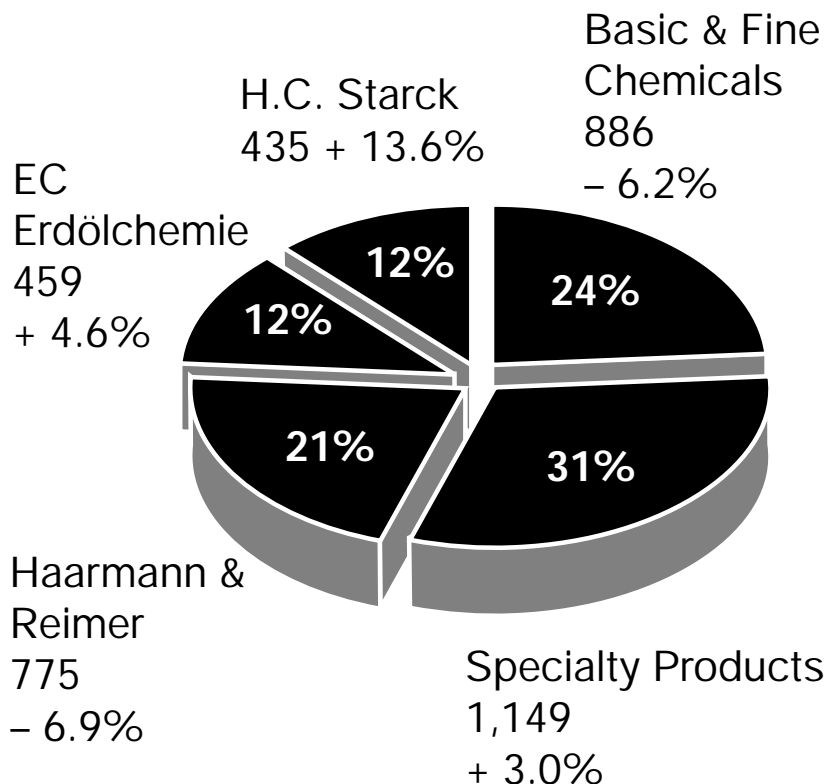


Chemicals – Quarterly Sales Development and Sales by Business Groups

€ million

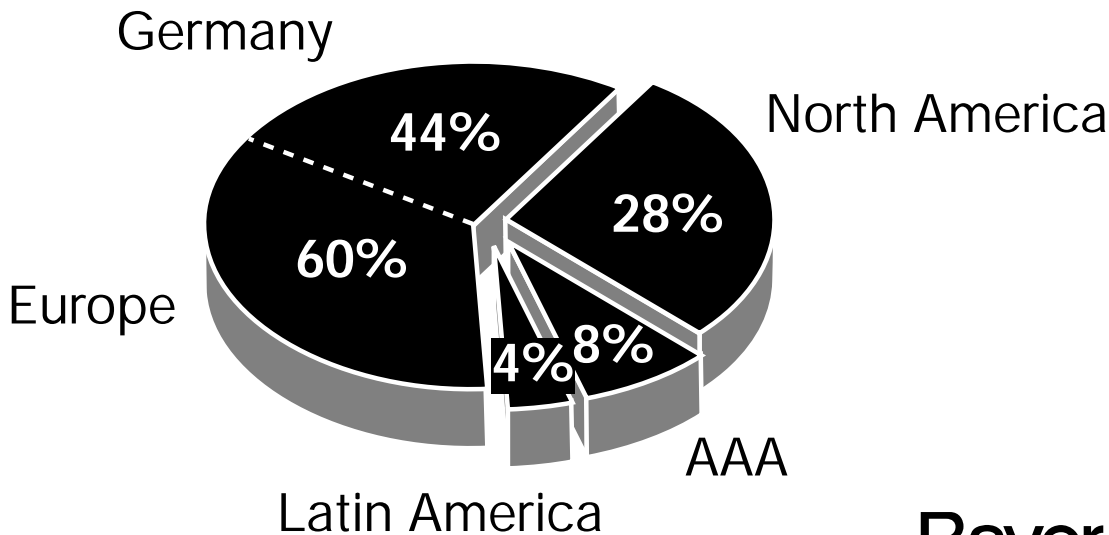
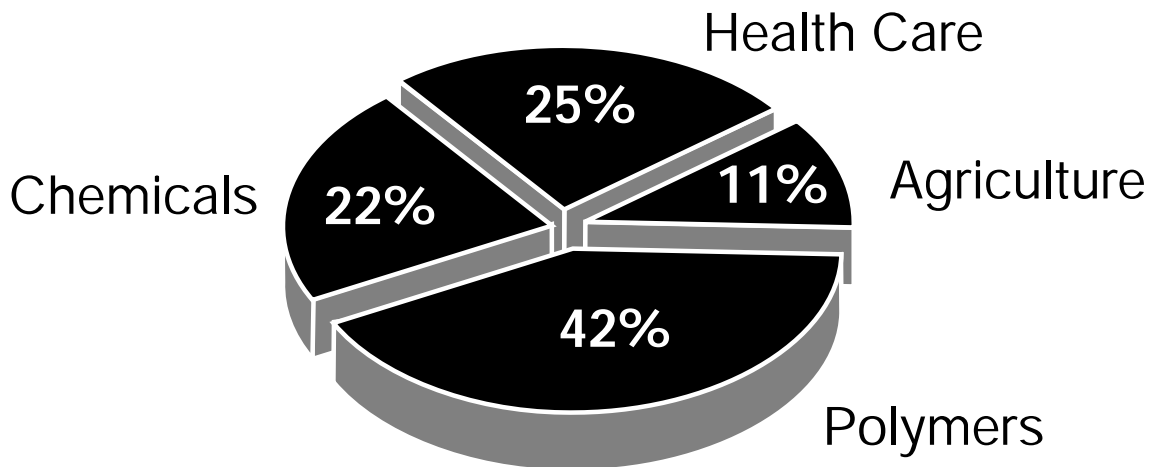


Sales
(Segment)



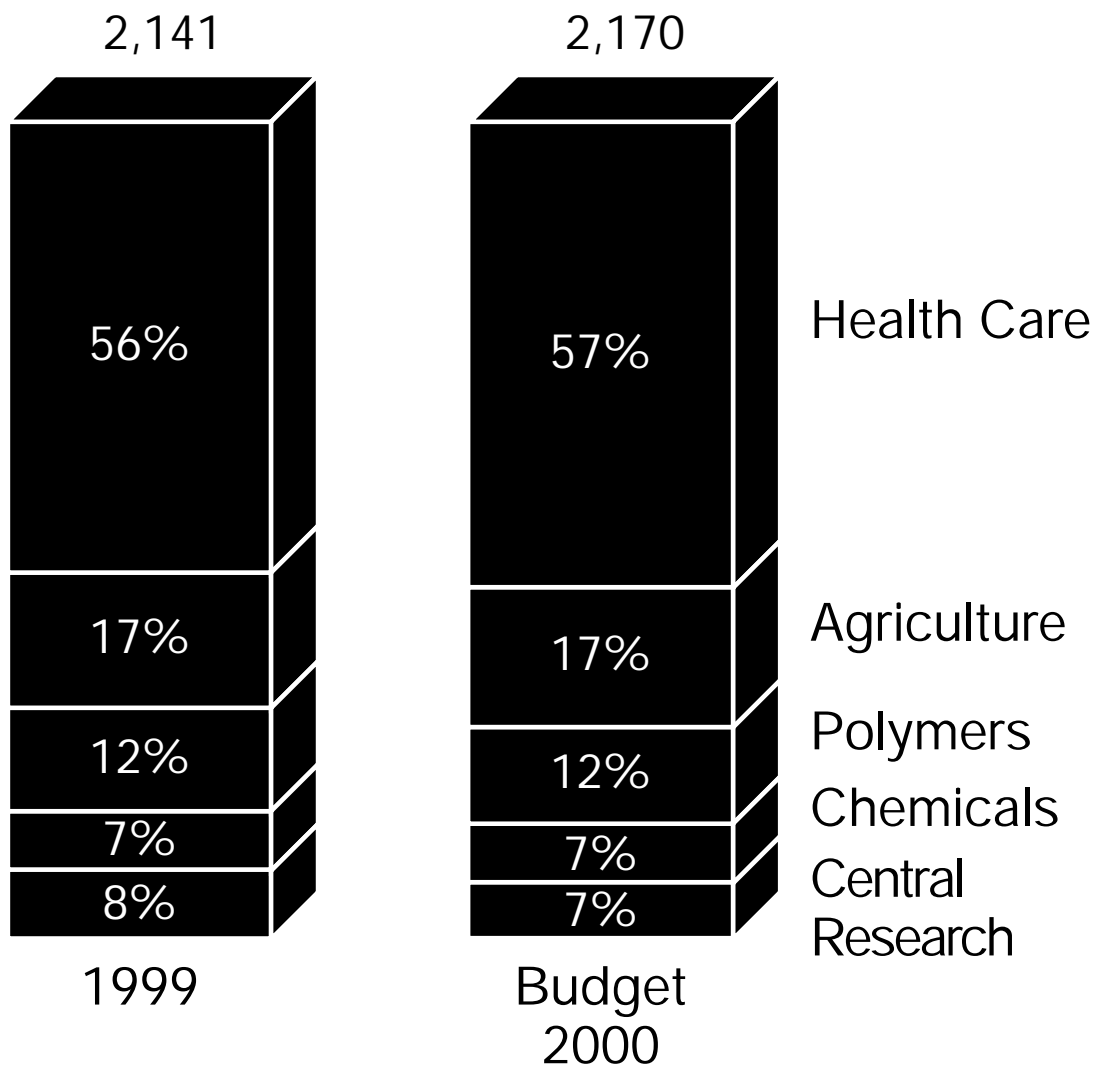
2000 Capital Spending Budget

Total € 2,350 – 10.4 %



R & D Expenditures

€ million



Outlook

Sales \approx 27 bn

OPI underlying-
continuing operations $>$ 2.8 bn