



**Spring Financial News  
Conference**

**March 13, 2002**

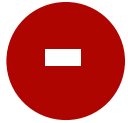
# Goals of the Reorganization

- ▶ **Sharpen focus on core competencies, growth and performance**
- ▶ **Increase flexibility and competitiveness**
- ▶ **Strengthen entrepreneurial responsibility**
- ▶ **Enhance customer focus**
- ▶ **Get closer to the market**
- ▶ **Provide more opportunities for cooperations and partnerships**





# 2001 in Review



- Cyclical downturn in industrial business
- Baycol/Lipobay withdrawal
- Production problems with Kogenate



- Aventis CropScience integration
- Extensive package of cost containment measures
- Strong growth in net cash flow



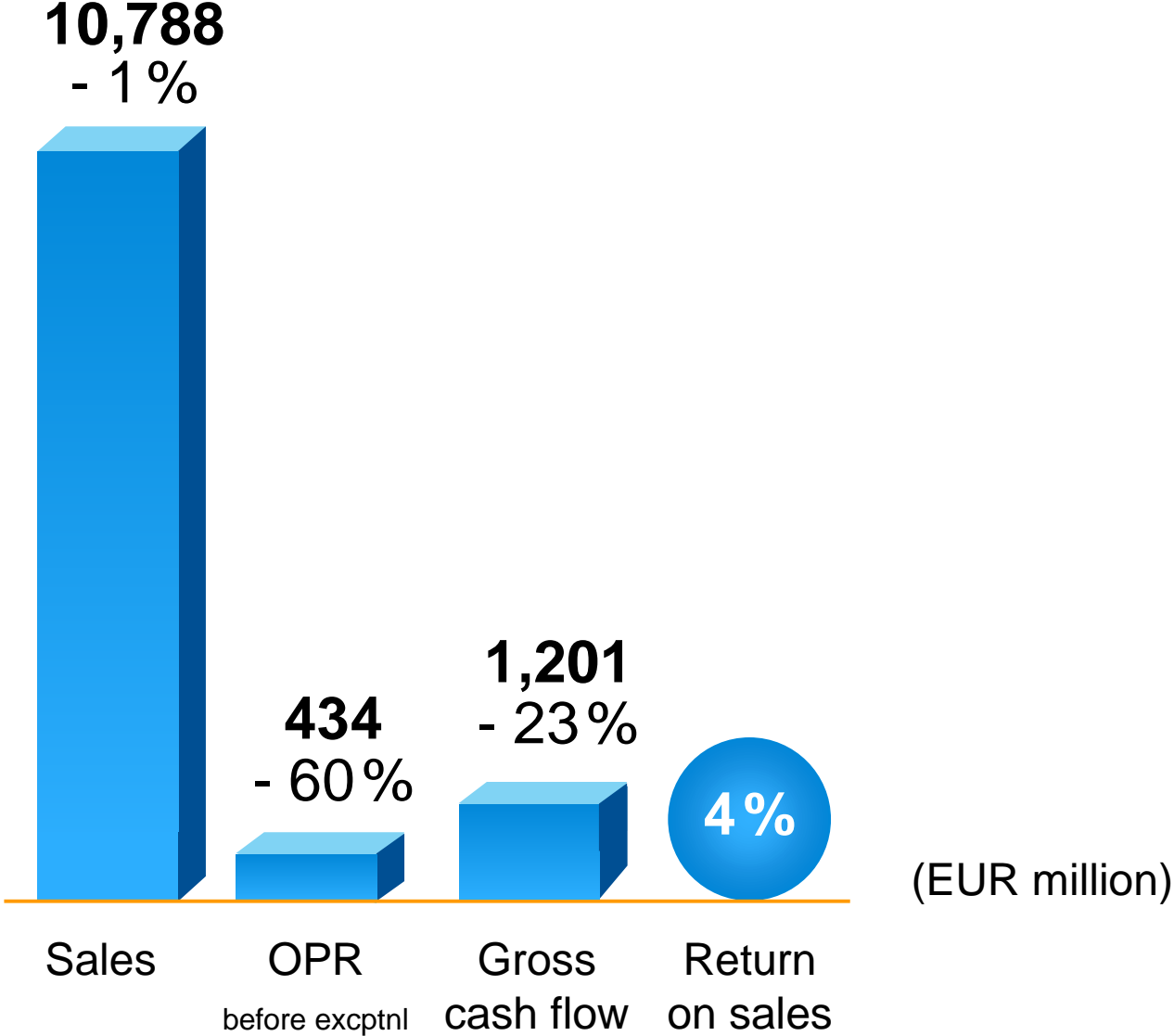
# Sales and Earnings in 2001

| (EUR million)                        | 2001          | 2000          | % change      |
|--------------------------------------|---------------|---------------|---------------|
| <b>Net sales</b>                     | <b>30,275</b> | <b>30,971</b> | <b>- 2.2</b>  |
| <b>Net sales (cont.)</b>             | <b>28,938</b> | <b>28,615</b> | <b>+ 1.1</b>  |
| <b>OPR before exceptnls. (cont.)</b> | <b>1,855</b>  | <b>3,209</b>  | <b>- 42.2</b> |
| <b>OPR reported</b>                  | <b>1,611</b>  | <b>3,287</b>  | <b>- 51.0</b> |
| <b>Net income</b>                    | <b>965</b>    | <b>1,816</b>  | <b>- 46.9</b> |

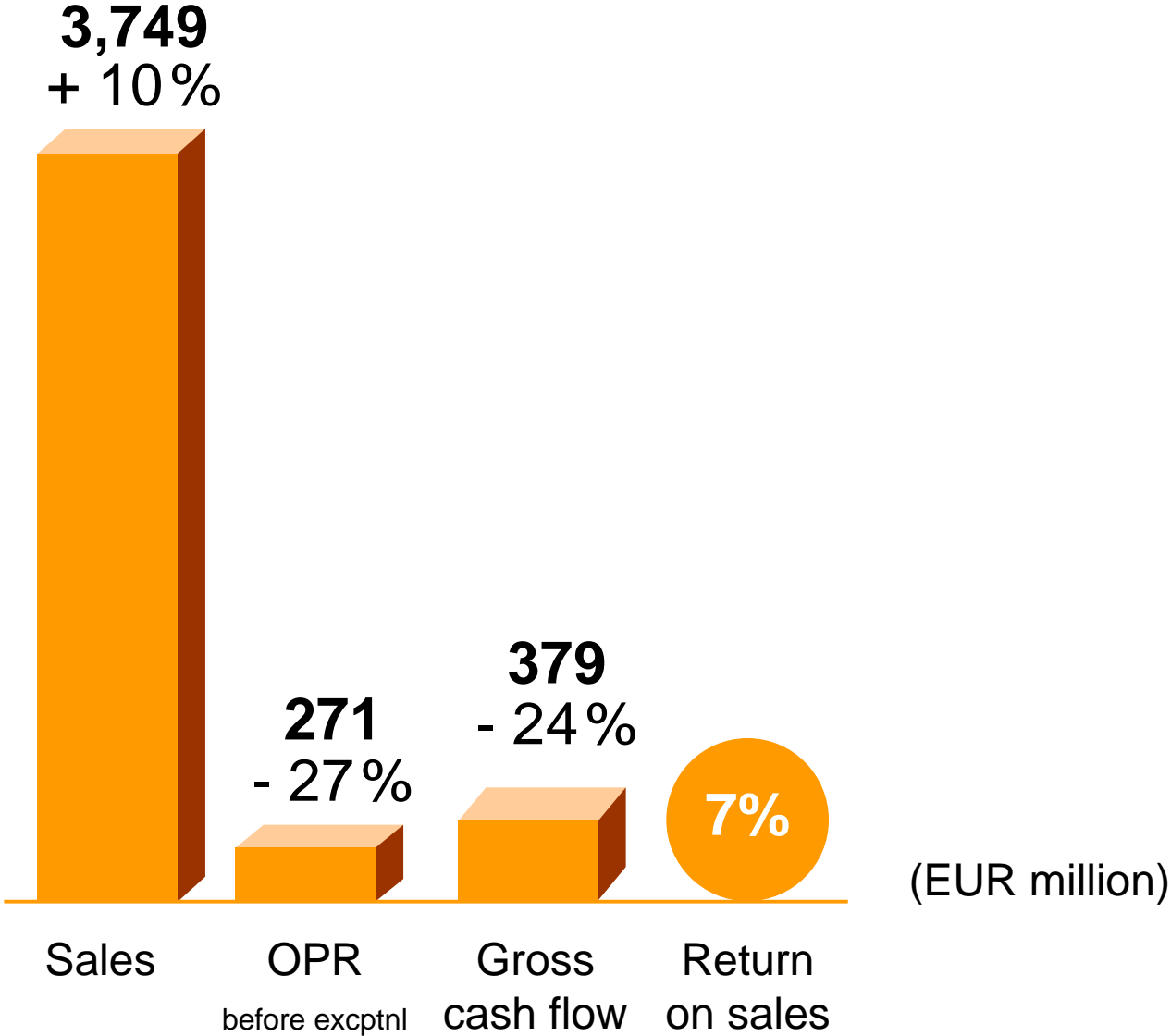




# Polymers 2001

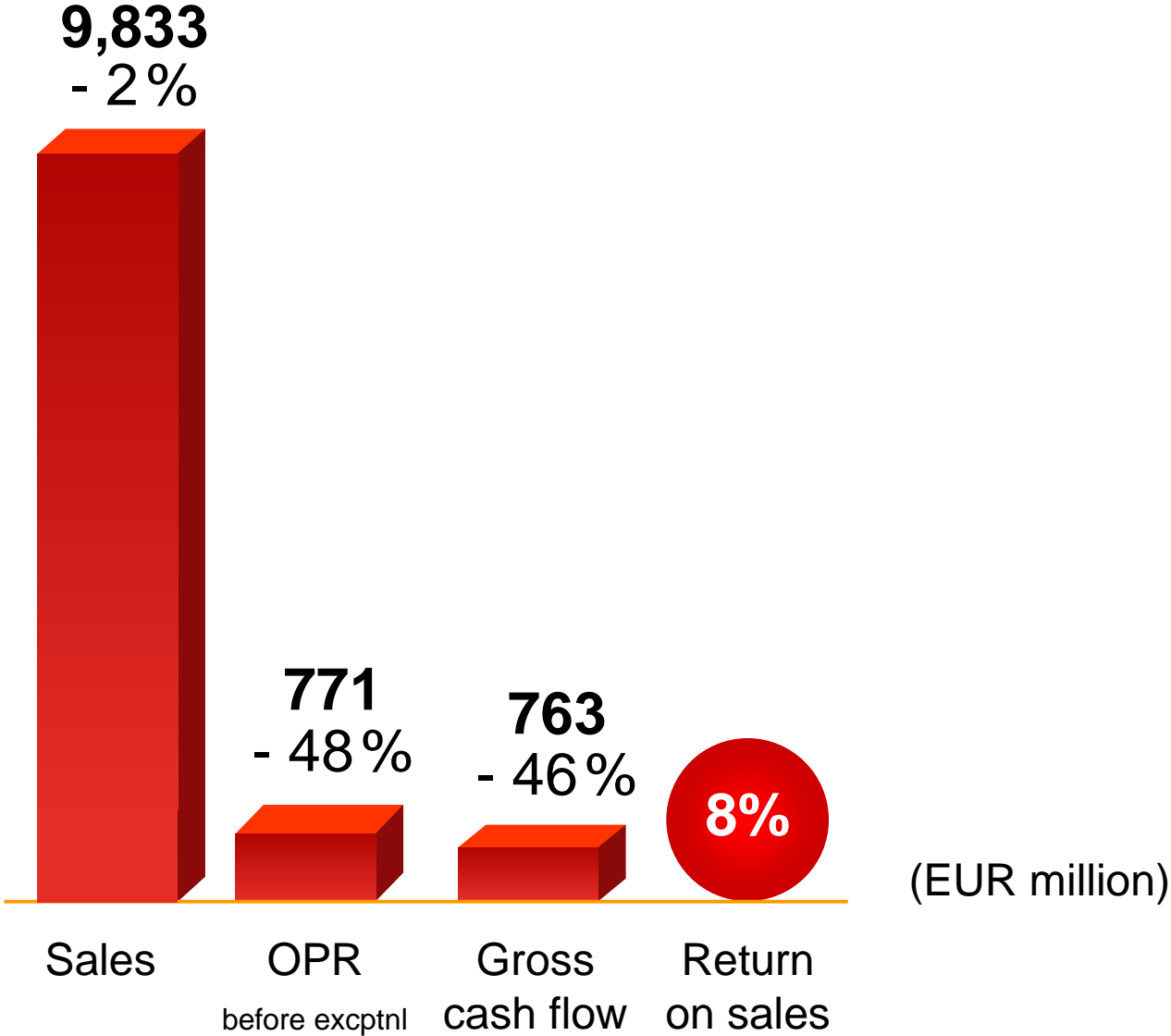


# Chemicals 2001





# Health Care 2001

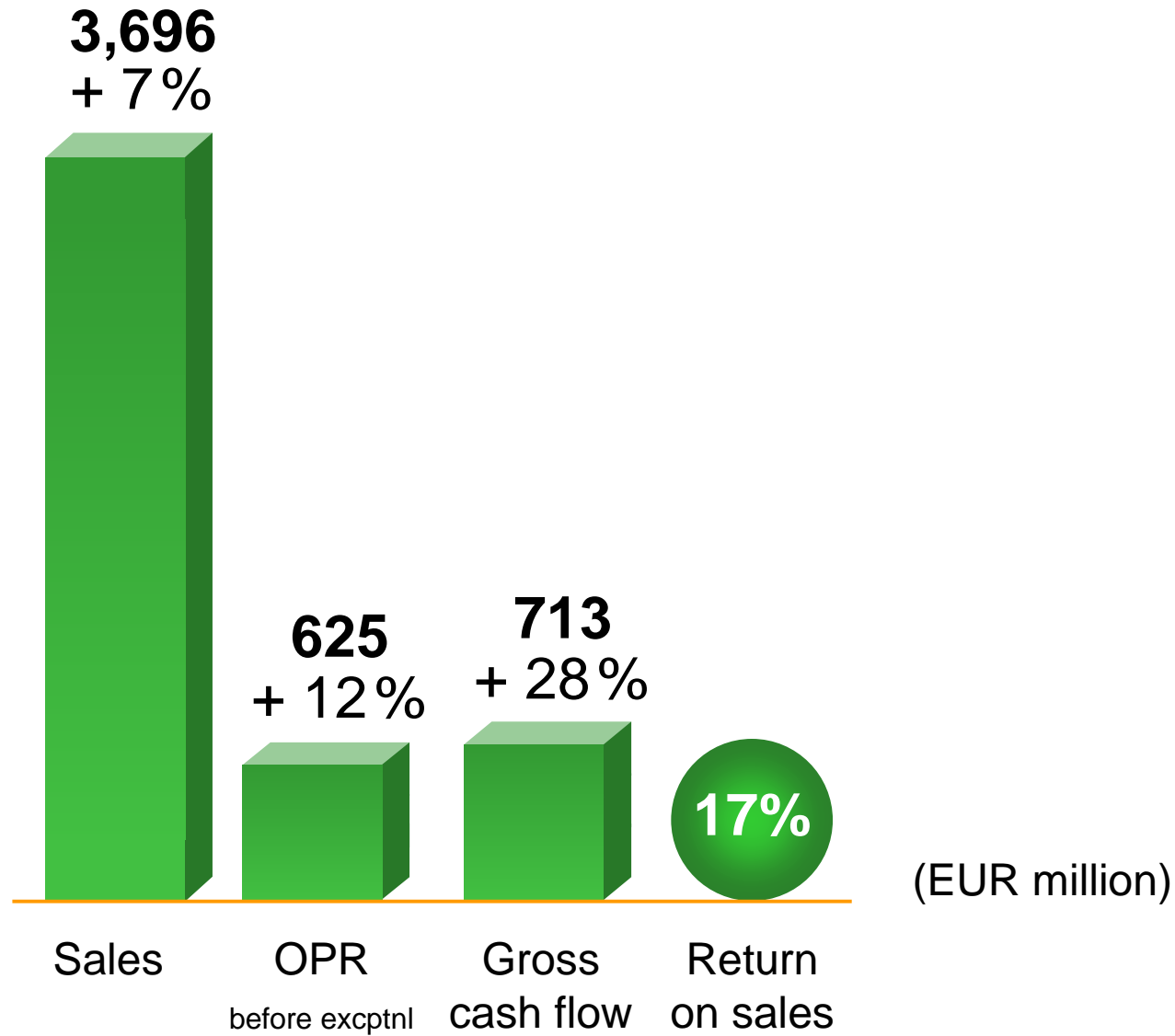


# Health Care - Headlines

- ▶ **Cipro: success against anthrax**
- ▶ **Vardenafil: launch expected in 2002**
- ▶ **Biological Products: problems overcome**
- ▶ **Consumer Care: continued growth**
- ▶ **Diagnostics: pleasing trend**



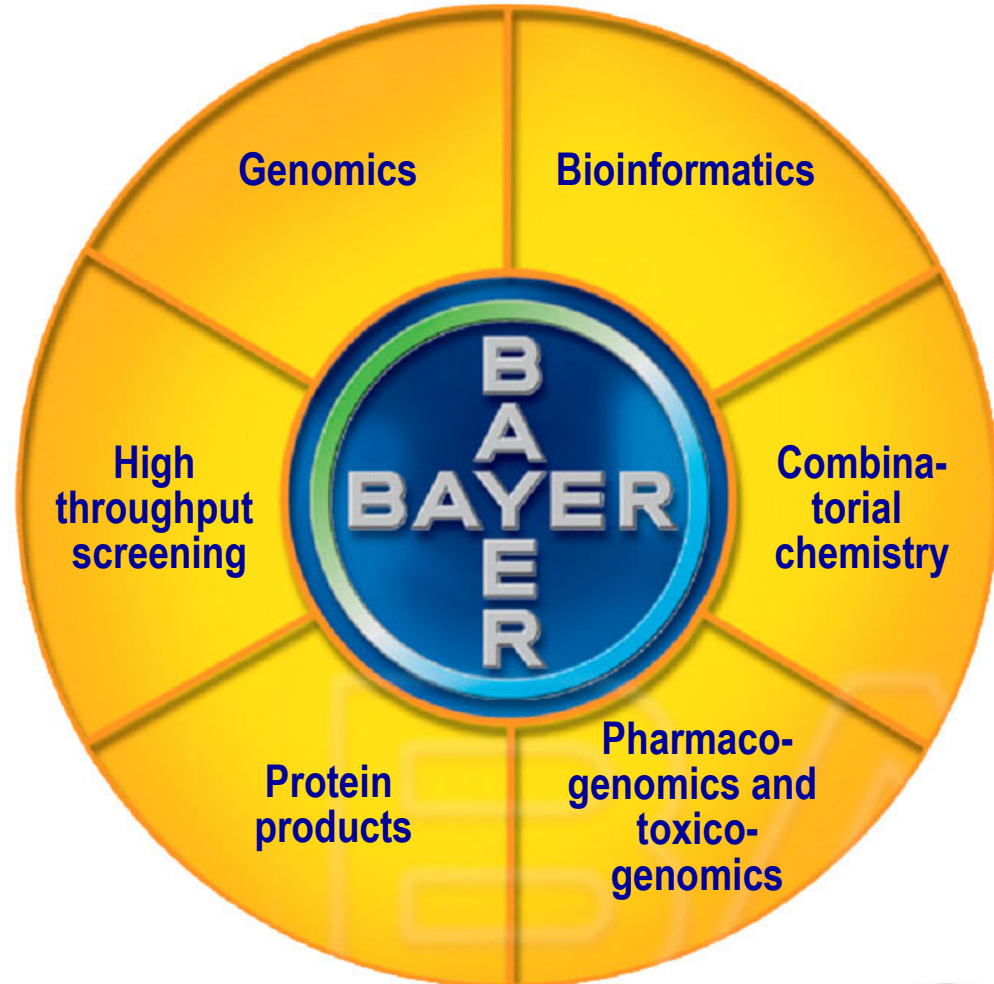
# Agriculture 2001



# Investing for the Future

## Leading high-tech platform

- ▶ **EUR 2.6 billion capital expenditures**
- ▶ **EUR 2.5 billion for R&D** of which EUR 1.5 billion for Health Care
- ▶ **Strategic alliances**



# Start to 2002

- ▶ **Signs of slight improvement in the economy**
- ▶ **Recovery in Europe dependent on trend in U.S.**
- ▶ **Pressure on prices easing**



# 2002: Strategic Priorities

## HealthCare

Find strategic partner(s)

## CropScience

Successfully manage ACS integration

## Polymers

Expand leading positions



## Chemicals

Continue restructuring and find partner

**Cost containment**  
Vigorously implement programs

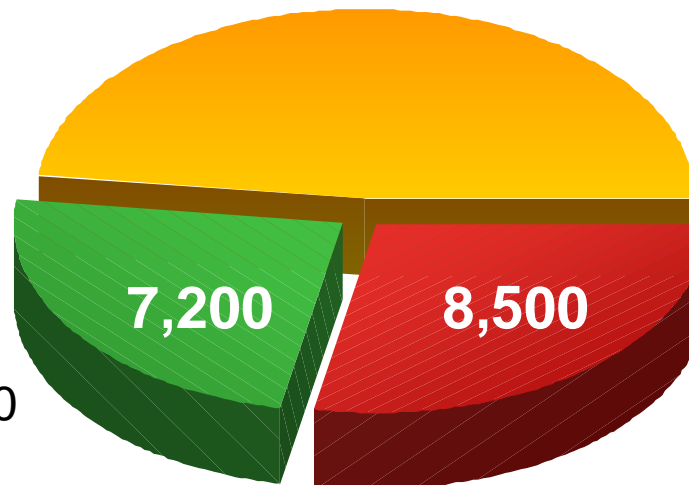


# Portfolio Restructuring 1996-2001

## Acquisitions\*

|                           |            |
|---------------------------|------------|
| ACS**                     | 4,034      |
| Flint***                  | 50         |
| CSM                       | 130        |
| Sybron                    | 230        |
| Cytec                     | 70         |
| Lyondell polyols          | 800        |
| Gustafson (50 %)          | 110        |
| <b>Chiron Diagnostics</b> | <b>500</b> |

Sales in EUR million



## Divestitures\*

|                  |       |
|------------------|-------|
| Acrylic fibers   | 160   |
| Erdölchemie      | 460   |
| DyStar           | 400   |
| Agfa             | 4,350 |
| Titanium dioxide | 210   |
| Silicones        | 220   |
| Citric acid      | 250   |
| Enamels          | 100   |

## 2002 (planned):

|                        |     |
|------------------------|-----|
| Haarmann & Reimer      | 870 |
| Rhein Chemie           | 380 |
| PolymerLatex (50 %)    | 200 |
| Fibers                 | 220 |
| Household insecticides | 400 |

- \* major recent examples
- \*\* 2000 sales
- \*\*\* 2004 estimate: EUR 300 million



# Acquisition / Joint Venture Aventis Behring

- ▶ **Non-binding letter of intent**
- ▶ **Bayer to have operational control**
- ▶ **Improved profitability**
- ▶ **Broader product range**
- ▶ **Plant modernizations**
- ▶ **Total sales target EUR 2.4 billion**
- ▶ **Among the top companies in the world market**





# Successful U.S. Listing



- ▶ Direct access to U.S. capital market
- ▶ Shares are potential acquisition currency
- ▶ Broadening of U.S. shareholder base
- ▶ More attractive to U.S. institutional investors
- ▶ Possible stock compensation programs for U.S. employees



# Planning for 2002

- ▶ **Substantially improve net income**
- ▶ **Successfully implement new corporate structure**



