



Spring Investor Conference 2003



Safe Harbor



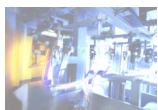
This presentation contains forward-looking statements based on current assumptions and forecasts made by Bayer Group management.

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 our public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including our Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Topics



Financials



Strategy



Outlook



Appendix

Full Year Non-Operating Result



€ million

	2002	2001	Δ%
Non-operating result	(618)	(496)	- 24.6
• Income from affiliated companies – net	223	54	•
• Interest expense – net	(449)	(349)	- 28.7
• Interest portion of pension provisions	(296)	(274)	- 8.0
• Exchange gain – net	31	49	- 36.7
• Miscellaneous – net	(127)	24	•
Pre-tax income	956	1,115	- 14.3

Taxes 2002



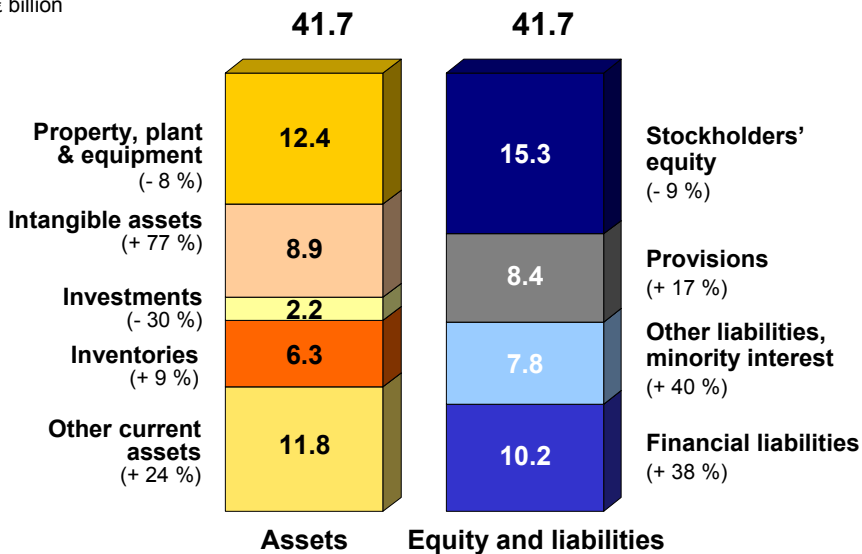
€ million

	2002	2001
Income taxes	(298)	(624)
Germany	(129)	(122)
Other countries	(169)	(502)
Deferred Taxes	405	470
Tax income (expense)	107	(154)
Other taxes	(221)	(247)
Tax rate (%)		
Income taxes	(11)	14
Total taxes	12	36

Balance Sheet Structure 2002



€ billion



Cashflow Statement 2002



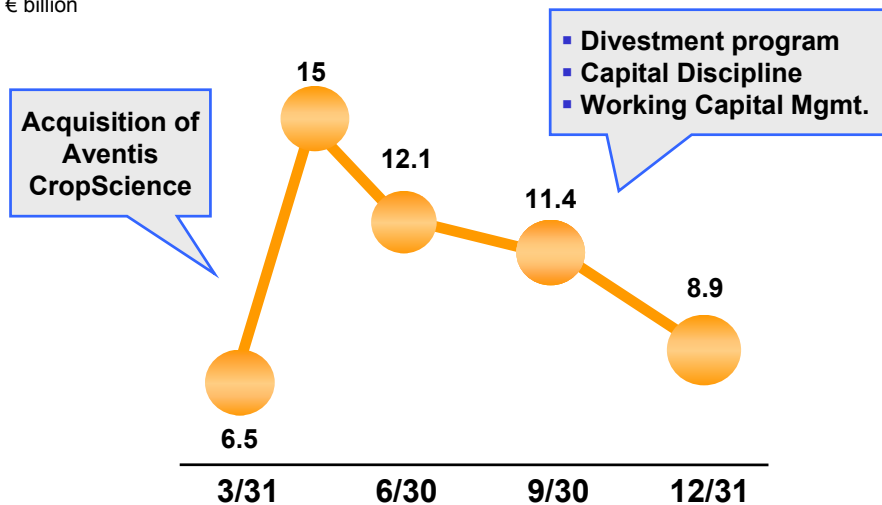
€ million

	2002	2001
Gross Cashflow	3,012	2,923
± Working Capital	1,408	936
Net Cashflow	4,420	3,859
- Capital expenditures	(2,239)	(2,617)
- Interest, other	(290)	(127)
- Dividends	(662)	(1,028)
Free Cashflow	1,229	87

Net Debt Target achieved



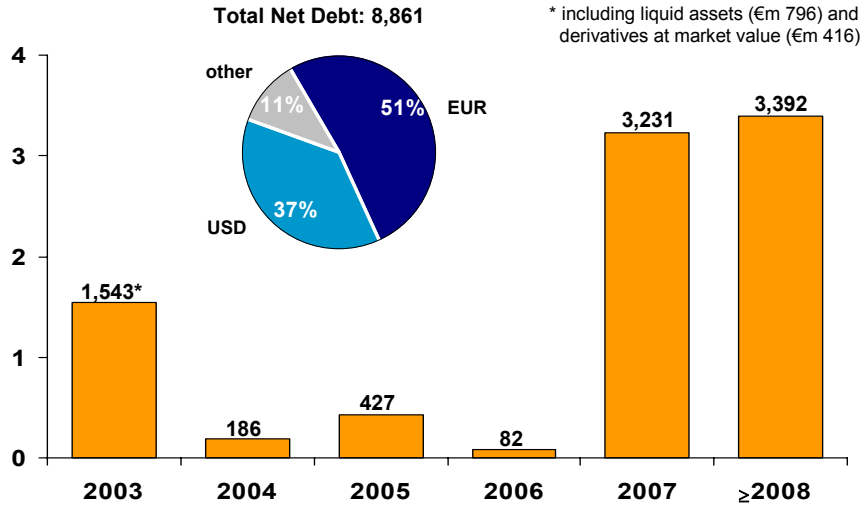
€ billion



Net Debt Structure



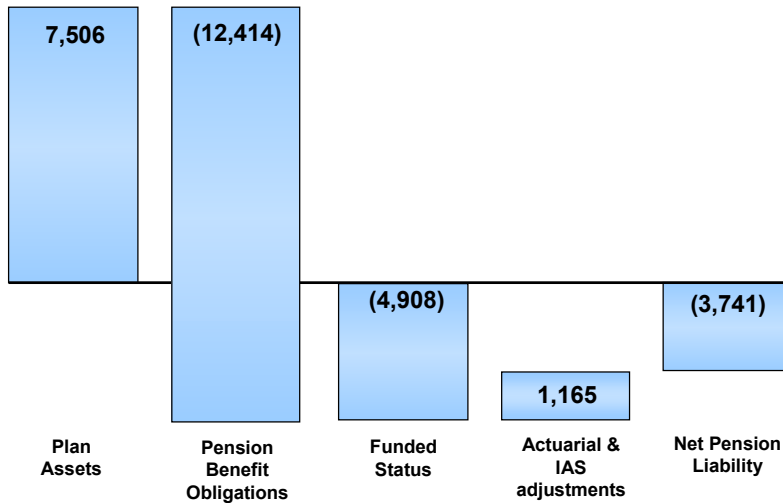
€ million



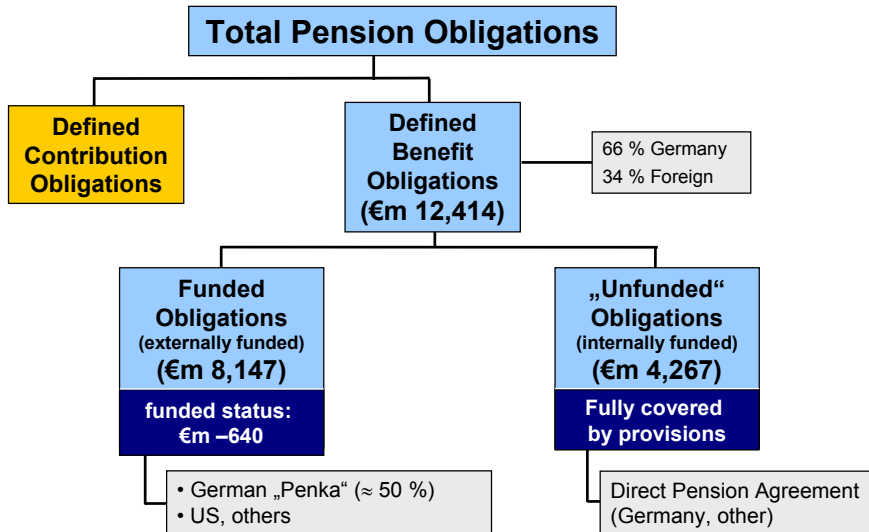
Net Pension Liability 2002



€ million



Structure of Bayer's Pension Obligations



Pension Provisions - Summary



- **Balanced mix of pension schemes in Germany and abroad**
 - 1/3 funded pension schemes in Germany („Bayer Pensionskasse“)
 - 1/3 international funded pension schemes
 - 1/3 direct pension agreements, internally funded
- **No top-up or funding requirement for direct pension agreements**
- **Underfunding of funded plans with limited impact on earnings**
- **Conservative assumptions to calculate obligations**