



Focus on

3

Growth
Innovation
Value

CSFB Field Trip

November 21, 2003

Safe Harbor



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

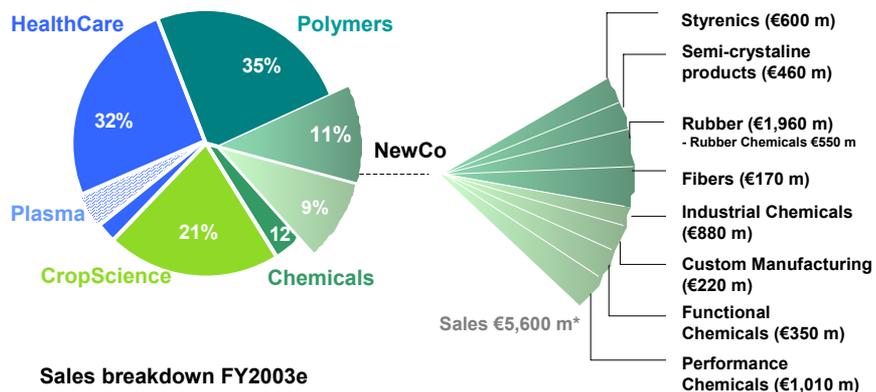
Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in our public reports filed with the 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.

Realignment of future business focus



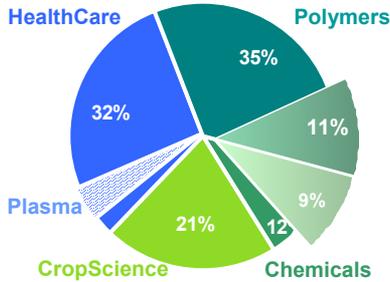
- ▶ Strategic focus on growth, innovation and value generation
- ▶ Three core areas: HealthCare, CropScience and MaterialScience
- ▶ Carve-out of €5.6 billion chemicals and polymers activities into new independent listed company planned
- ▶ Pharmaceutical activities will be continued as a stand-alone solution and repositioned as a mid-sized European player

Carve-out: Affected businesses



*All figures rounded

Future Business Refocus



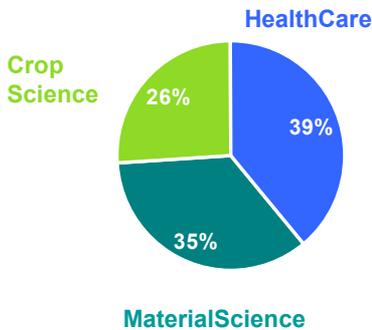
Sales breakdown FY2003e

Distinct business structures...

- Rapidly changing industry dynamics
- Increasing competitive pressure across all businesses
- Targeted allocation of resources
- Industry-specific business models required

... for different businesses

The Future Shape of Bayer



Sales breakdown
FY2003e €22.5 billion



HealthCare

- Strong positions in consumer health
- Excellent technology base
- Significant new product opportunities
- Improving pharmaceuticals pipeline



CropScience

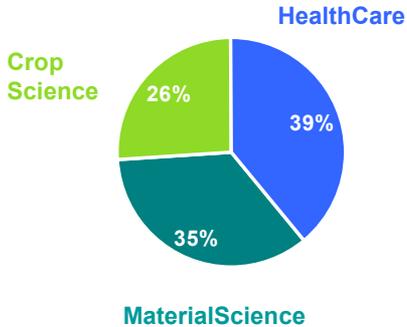
- Leader in conventional Crop Protection
- Leader in Environmental Science
- Emerging Player in BioScience
- Rich pipeline



MaterialScience

- Market leader in most products
- Cost advantages through world-scale production sites
- Technology leadership
- Expansion in Asia under way

More Value, Innovations and Growth



Sales breakdown
FY2003e €22.5 billion

- More balanced business mix
- More focused allocation of resources
- Broader international orientation
- Improved capability for innovation and growth
- Improved competitiveness
- Reduced complexity

Strategic Priorities



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- ▶ Expand leading positions
 - ▶ Strategically reposition Pharmaceuticals
 - ▶ Tap full growth and innovation potential
 - ▶ Develop new growth initiatives
 - ▶ Expand business in Asia
 - ▶ Strengthen competitiveness

Q3'03: Operating Performance on Target



- Sales and earnings development broadly on budget
- Solid portfolio and currency adjusted sales growth (+ 4.6% yoy)
- Underlying EBIT significantly improved (+ 52.9% yoy)
- Business momentum improved during the quarter
- Cash generation remains high
- Strong working capital performance
- Full year net debt target already achieved (€6.9 billion as per Sept 30)
- €2.5 billion efficiency improvement programs on schedule
- Continued progress with Baycol settlement program (1,811 cases settled for \$659 million)
- ➡ Double-digit EBIT growth (pre possible impairment write-downs and accelerated restructuring)