Bayer CropScience

CropScience Analyst & Investor Days

September 5 - 6, 2005
Lyon, France

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CropScience Analyst & Investor Days

Successful Portfolio Management in Crop Protection

September 5 - 6, 2005
Lyon, France

Rüdiger Scheitza
Member of the Board of Management
Bayer CropScience

Forward Looking Statements

This presentation contains forward-looking statements based on current assumptions and forecasts made by Bayer AG and Bayer CropScience AG 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 Bayer CropScience AG or our parent company, Bayer AG, and the estimates given here. These factors include those discussed in Bayer AG's public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including Bayer AG's Form 20-F). Neither Bayer AG nor Bayer CropScience AG assume any liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

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We Have an Excellent Portfolio Position

- Well-balanced portfolio
- High share of young and innovative products
- Strong set of new substance classes and modes of actions
- High-performance formulations & mixtures to meet customer needs
- Global market leader in insecticides and seed treatment business; No. 2 in fungicides; No. 3 in herbicides
- Complementary offering with Environmental Science & BioScience

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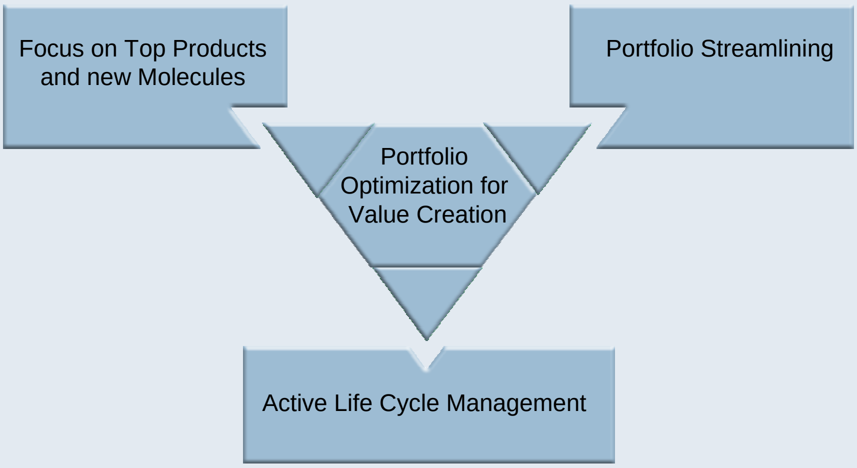
Cornerstones of Our Portfolio Management



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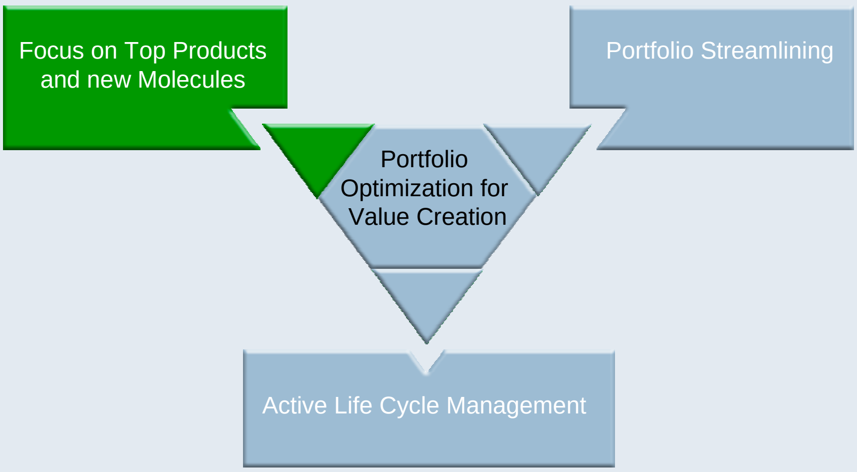
Cornerstones of Our Portfolio Management



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Already 5 New Molecules Among the Top 12 Active Ingredients in H1 2005

In € million	H1 2004	H1 2005	YOY
Imidacloprid	329	325	-1 %
Tebuconazole	212	183	-14 %
Fenoxaprop-p ethyl	142	140	-1 %
Glufosinate	123	138	+12 %
Ethofumesate / PMP / DMP	116	104	-10 %
Trifloxystrobin	113	87	-23 %
Prothioconazole	24	86	+258 %
Deltamethrin	92	85	-8 %
Aldicarb	68	61	-10 %
Iodosulfuron	60	61	+2 %
Foramsulfuron	55	60	+9 %
Mesosulfuron	33	58	+76 %
Total Top 12 Products	**1,367**	**1,388**	**+2 %**

Definition of new A.I.: launched in key countries since 2000, including Environmental Science business

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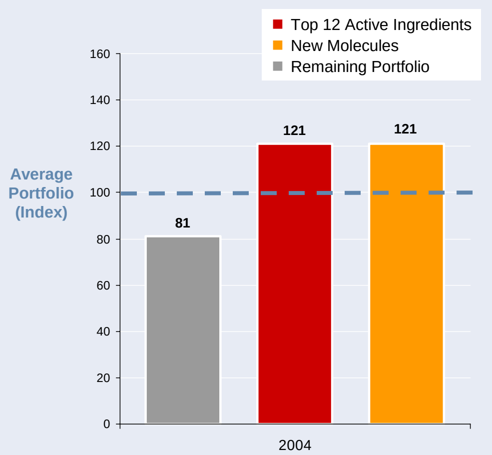
Top Products and New Actives with Over-proportional Margin Contribution

Gross Margin Spread in 2004 (Index Portfolio Average = 100)



- Focus on higher-margin top products
- Continuous introduction of new molecules
- Streamlining of older, lower-margin products

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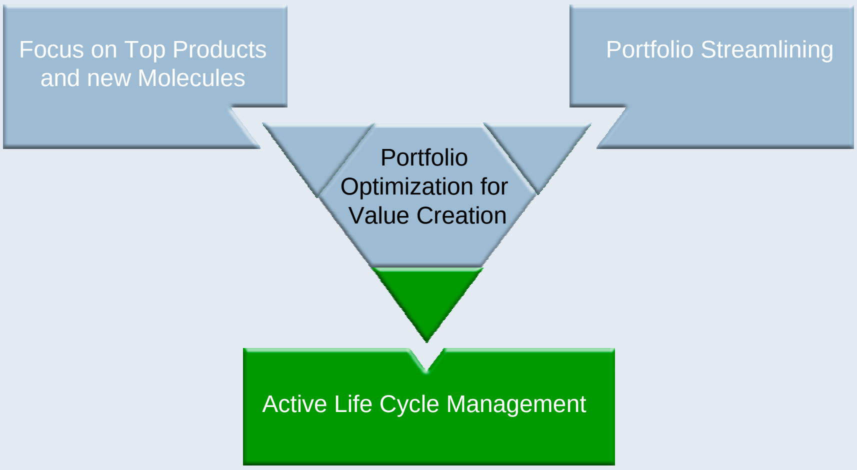
Cornerstones of Our Portfolio Management



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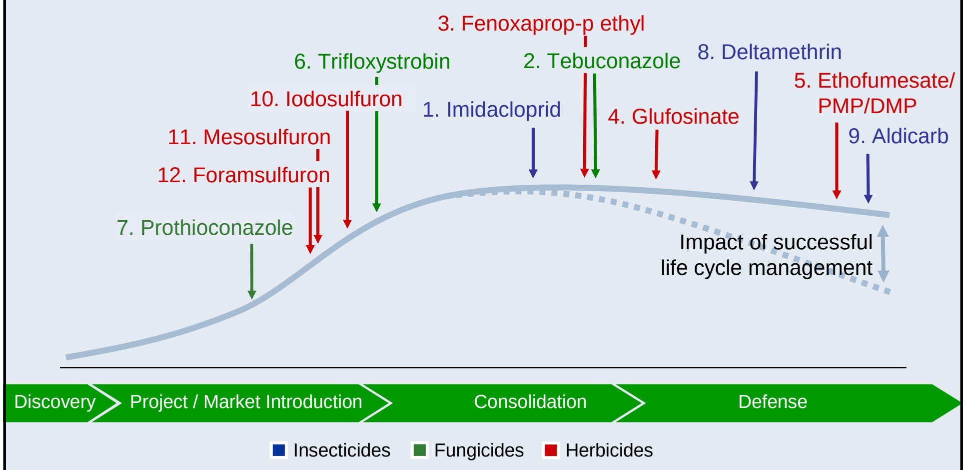
Successful Life Cycle Management Enhances Value Contribution

Life Cycles of Agrochemicals may last up to > 40 Years



Active ingredients ranked by sales volume H1 2005

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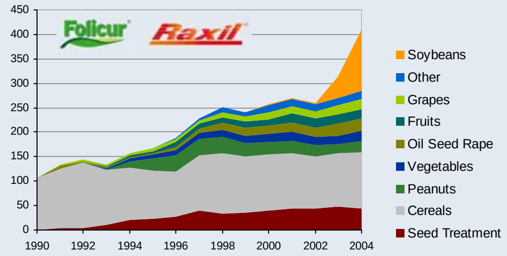
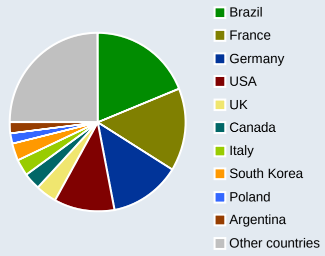
Tebuconazole: The Textbook Example for Successful Life Cycle Management

Sales Development by Crops (in € million)



Registered in > 100 Countries



Life Cycle Management by Diversification

- Based on a broad portfolio of complementary products, allowing us to offer tailor made solutions for individual markets
- Sold in about 100 countries and used on over 90 crops
- Further extension of life cycle through innovative mixtures with Trifloxystrobin & Prothioconazole

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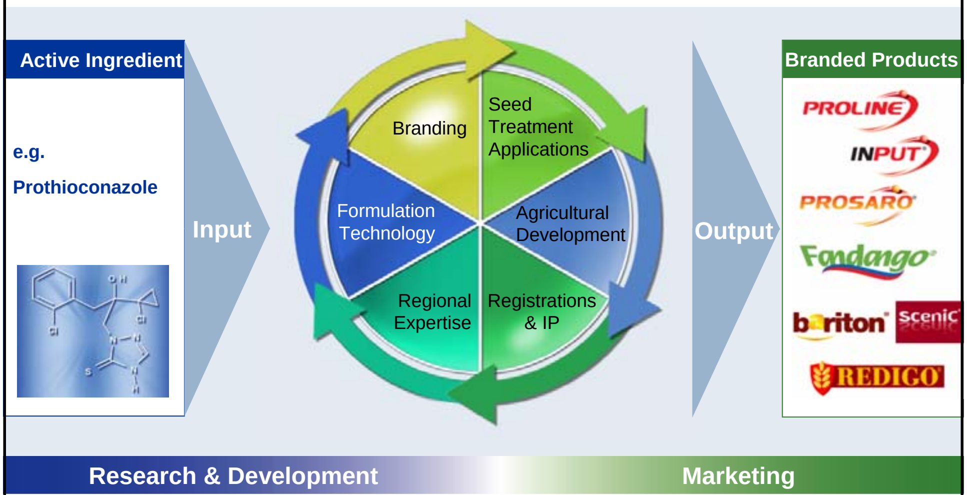
One Active Offers Multiple Product Opportunities



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Cornerstones of Our Portfolio Management

Focus on Top Products and new Molecules

Portfolio Streamlining

Portfolio Optimization for Value Creation

Active Life Cycle Management

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Portfolio Streamlining – Essential Tool for Value Generation

- Focus on most profitable products (top active ingredients and new compounds)
- Clustered analysis of compounds, formulations, and third party products
- Reduce product portfolio complexity
- Limited impact on topline
- Use registration resources for new and innovative products
- Spend R&D expenses most efficiently

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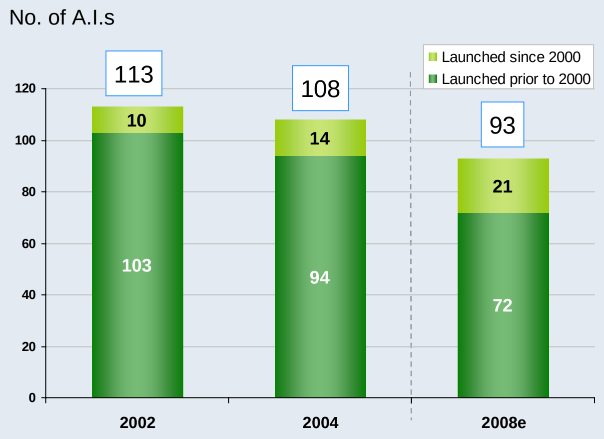
Significant Reduction of Active Ingredients despite Continuous Launch of New Molecules



- 31 active ingredients expected to be phased out / divested until 2008
- Sales impact from out-phased products over-compensated by new active ingredients*

➲ Reduced complexity and rejuvenation of the portfolio

* Definition of new A.I.: launched in key countries since 2000

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Successful Portfolio Management at Bayer CropScience

Launch of Active Ingredients

2000 - 2005

Clothianidin	Mesosulfuron
Ethiprole	Methoxyfenozide
Fenamidone	Propoxycarbazone
Fentrazamide	Prothioconazole
Fluoxastrobin	Spirodiclofen
Foramsulfuron	Spiromesifen
Iodosulfuron	Thiacloprid
Iprovalicarb	Trifloxystrobin

+ 16

Portfolio optimization to drive value

Divestments / Phase out of Compounds

2000 - 2005

Acetamiprid	Metamitron
Amitraz	Monolinuron
Bifenox	Ofurace
Chlortoluron	Phosalone
Dichlofluanid	Propoxur
Diuron	Pyrazophos
Fenobucarb	Sulfotep
Flurcarbazone	Triticonazole
IPU	Vamidothion
Linuron	

+ 5 further substances in 2005

- 24

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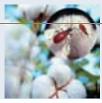
Market Leader in Crop Protection Solutions

Business Segment Strategy



Insecticides
Strengthen leadership position through launch of new chemistry class (Ketoenols)

Fungicides
Aim at global no. 1 position through successful launch of novel active ingredients and professional life cycle management

Herbicides
Profitable growth through introduction of new technology products in corn and cereals

Seed Treatment
Consolidate leadership position through innovative insecticidal and fungicidal products

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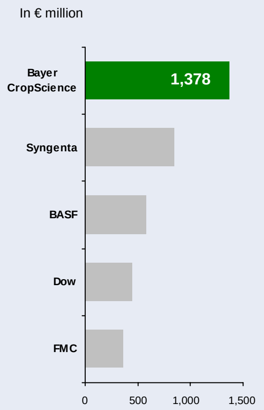
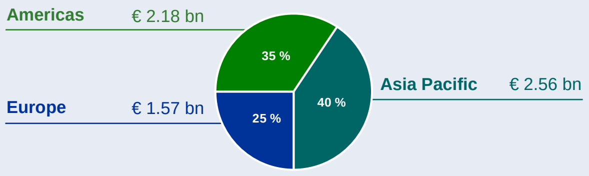
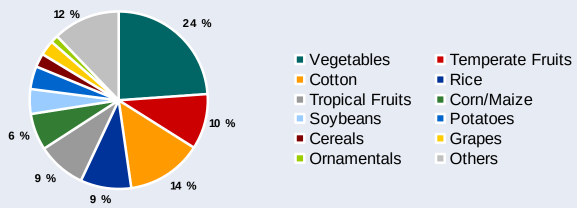
Market Environment in the Insecticides Segment 2004

Total Market in 2004: € 6.3 billion | **Market Share: approx. 21.7 %**







➲ Insecticides Business driven by Vegetables and Fruits

Source: Company reports, internal estimations

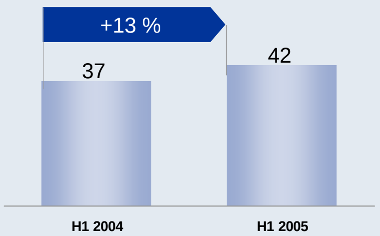
Two New Compounds Launched in 2005 to Strengthen Insecticides Business

New A.I. launched since 2000

Thiacloprid – calypso
Methoxyfenozide – Runner
Spirodiclofen – envidor
Spiromesifen – oberon
Ethiprole

Sales of new A.I.s (Insecticides)*

(In € million)



Highlights

- Spiromesifen (2nd Ketoenol) and Ethiprole launched in major markets in 2005
- 3rd Ketoenol under full development
- Innovative mixtures and new formulation technologies to further strengthen no. 1 market position
- Well prepared for patent expiration of Imidacloprid with novel CNIs Thiacloprid & Clothianidin (Seed Treatment application)

➲ Clear market leadership in insecticides

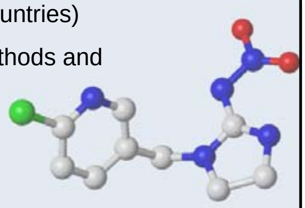
* including non-Ag business

Prepared for Post-Patent Life Cycle of Imidacloprid

- Imidacloprid forms the basis of our Chloronicotinyls (CNI) portfolio which is reinforced by Thiacloprid & Clothianidin
- Substance patent for Imidacloprid will expire in first major markets early 2006

Our post patent Strategy will build on

- Regional and crop diversification (> 160 crops, 120 countries)
- Product differentiation by formulations, application methods and packaging concepts
- Product expansion through innovation
- Broadened global distribution channels through supply agreements (Makhteshim-Agan, Cheminova)



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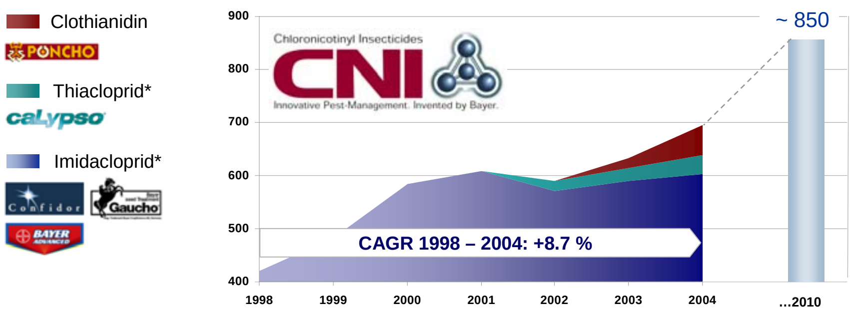
Continued Growth from CNI Portfolio Expected

(Sales in € million)



Key Pillars of our Chloronicotinyls Strategy:

- Integrated strategy based on three active ingredients
- Global supply agreements for Imidacloprid
- Unique expertise in formulation and proximity innovation

* including non-Ag business

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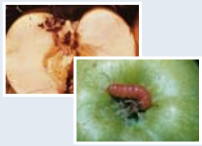
Thiacloprid – Second Molecule of Our CNI-Family

Key Product Features

- New broad spectrum of activity (sucking & biting insects)
- Environmental friendly (bees & other key beneficials)
- Flexible application timing (before, during & after flowering)

calypso

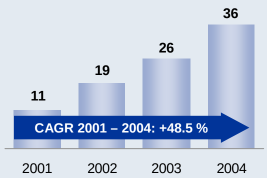


Strategy

- Second „in-house“ CNI for market segmentation
- Opens up new markets in addition to traditional Confidor segments
- Further growth potential expected with new patented state-of-the-art formulations and co-formulations
- New non-agrochemical markets (Environmental Science, wood protection) will contribute to long term growth

Sales Development*

(in € million)



* including non-Ag business

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Market Leader in Crop Protection Solutions

Business Segment Strategy

Insecticides
Strengthen leadership position through launch of new chemistry class (Ketoenols)

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Seed Treatment
Consolidate leadership position through new insecticidal and fungicidal products

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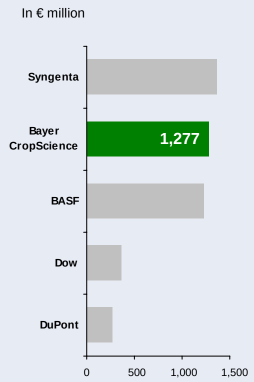
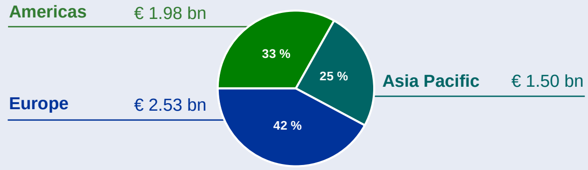
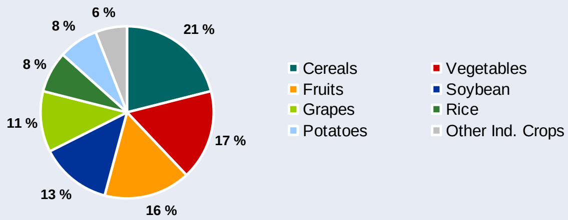
Market Environment in the Fungicides Segment 2004

Total Market in 2004: € 6.0 billion | **Market Share: approx. 21.3 %**







➲ Fungicides business driven by cereal crops, vegetables and fruits

Source: Company reports, internal estimations

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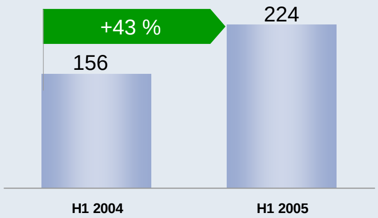
Fungicides: Ambition to Become Global No. 1

New A.I.s launched since 2000

Trifloxystrobin – FLINT
Iprovalicarb – Melody
Fenamidone – FENOMEN
Prothioconazole – PROLINE
Fluoxastrobin – Fandango

Sales of new A.I.s (Fungicides)*

(In € million)



Highlights

- Share of new active ingredients launched since 2000 is growing strongly
- Nearly one third of fungicide sales in H1 2005 based on new active ingredients
- Significant contribution of Prothioconazole and Fluoxastrobin (launched in 2004)
- New fungicides expected to account for about 50 % of Bayer CropScience overall new molecule sales in 2006

➲ Strong growth of new fungicides will foster market share gains

* including non-Ag business

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Fungi: A Major Threat to Food Production

Phakopsora pachyrhizi Soybean / Rust | *Peronospora* Grapes / Oomycetes | *Septoria tritici* Cereals | *Fusarium sp.* Cereals

- Chemical control will remain essential
- Innovation will be key for further market penetration & resistance management
- Mixtures gain importance, due to resistance management & market segmentation
- Biotechnology expected to only play a minor role due to pathogens rapidly adapting to host resistance

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Best-in-Class against Asian Soybean Rust

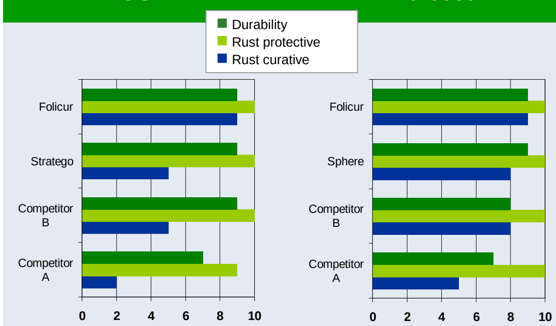
All three products with excellent performance and proven efficacy

Folicur
- Curative
- Protective
- Residual effect

SPHERE
- Protective & residual effect
- Increase in yield & quality

STRATEGO
- Protective & residual effect
- Increase in yield & quality

Portfolio Comparison vs. main Competitors



➲ Best-in-class portfolio further bolstered by mixtures with our key active ingredients Trifloxystrobin, Tebuconazole, Prothioconazole

Source: Bayer CropScience efficiency study

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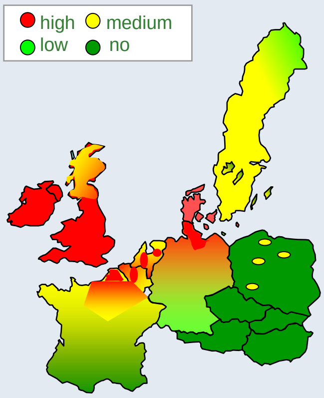
Spread of Septoria Resistance – A Challenge in Europe

Spread of Septoria Resistance in Europe

high | medium | low | no



- Resistance of cereal disease Septoria tritici against Strobilurins has further spread in Europe
- 15% yield impact compared to a treatment with Prothioconazole
- Efficient Strobilurine-based treatment only with mixtures

➲ Need for effective mixtures and innovative molecules

Source: FRAC member companies
FRAC… Fungicide Resistance Action Committee

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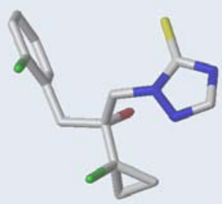
Prothioconazole – The Emerging Gold Standard in Fungi Control

- New chemical class: Triazolinthiones
- New option for resistance management vis-à-vis Strobilurins (e.g. Septoria)
- Broader, better fusarium activity
- Curative and protective properties
- Cornerstone for mixing partner strategies with other specific and broad spectrum fungicides
- Anticipated peak sales of Prothioconazole-based products: > € 300 million

Launch schedule:

2004 D
2005 UK, IRL, A, CZ
2006* F…



PROLINE	REDIGO	PROSARO	INPUT	Fandango
Prothioconazole (foliar application)	*Prothioconazole (seed treatment application)*	*Prothioconazole & Tebuconazole*	*Prothioconazole & Spiroxamine*	*Prothioconazole & Fluoxastrobin*

* expected

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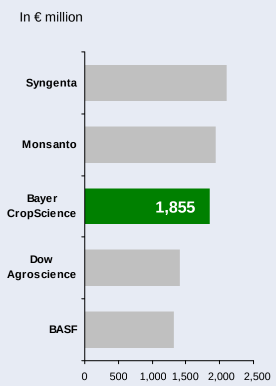
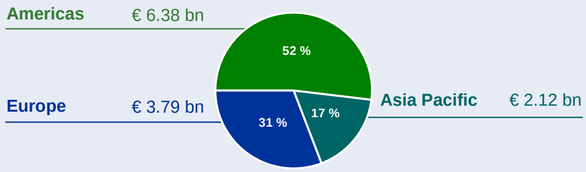
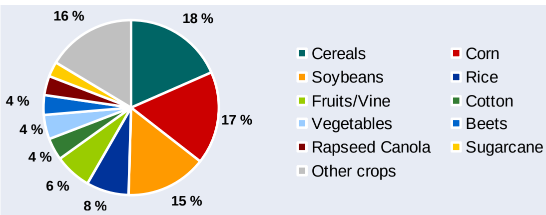
Market Environment in the Herbicides Segment 2004

Total Market in 2004: € 12.3 billion **Market Share: approx. 15.1 %**







➲ Herbicides market dominated by cereals, corn and soybeans

Source: Company reports, internal estimations

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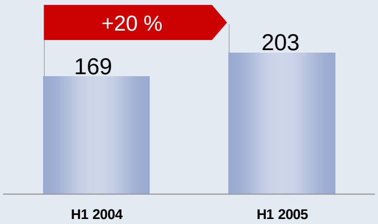
Youngest Herbicide Product Portfolio

New A.I.s launched since 2000

Iodosulfuron – HUSSAR
Fentrazamide – Innova
Propoxycarbazone – ATTRIBUT
Mesosulfuron – ATLANTIS
Foramsulfuron – MaisTer

Sales of new A.I.s (Herbicides)*

(In € million)



Highlights

- New molecules contributed nearly 20% to herbicide sales in H1 2005
- Excellent position in cereals segment
- Exciting development projects for corn
- Innovative formulations with OD technology (oil dispersion)
- Safener technology as important tool for life cycle management

➲ Excellent position in A.I. innovation, formulation & safener technology

* including non-Ag business

Safener Technology – Efficient Tool for Enhancing Crop Selectivity

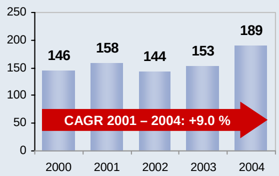
- Reduced herbicidal injury through enhanced speed of detoxification in crops
- Broadened application spectrum of new and existing herbicides
- Increased number of candidates for commercialization out of R&D
- Safened herbicides in current portfolio represent sales of approx. € 500 million (FY 2004)

Puma
MaisTer
HUSSAR
TILLERGOLD
RICESTAR XTRA
ATLANTIS
Olympus flex

Glufosinate: A Growth Driver in Herbicides

Sales Development*

(in € million)



A.I. patent expiration

Unique Concept in non-selective Plantation Market

- Registered in more than 80 countries and ~ 130 crops
- Future strong growth expected in Asia/Pacific as well as Central & South America

basta

Strong Alternative in Herbicide tolerant Crops

- Well-established in US and Canadian corn and canola markets
- Successful launch in US cotton market in 2004
- Further introductions planned

LibertyLink Herbicide Resistance

* excluding non-agricultural business

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Source: Company reports, internal estimations

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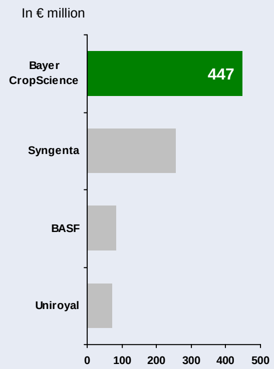
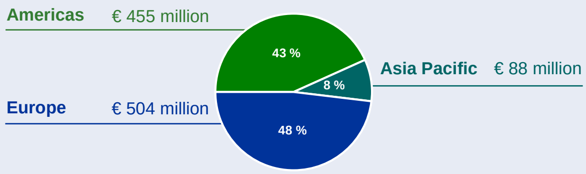
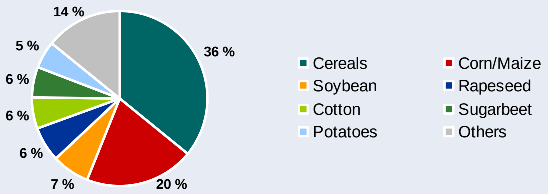
Market Environment in the Seed Treatment Segment 2004

Total Market in 2004: € 1.05 billion | **Market Share: approx. 42.7 %**







➲ Global seed treatment market is forecast to grow above average, driven by both insecticides & fungicides

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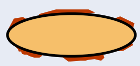
Seed Treatment – Advanced Technology by Bayer CropScience

Seed Treatment is innovative Crop Protection

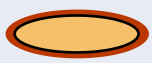
Application of crop protection products to the seed to protect the seed and the young plant against pests and diseases

Definitions of main Application Technologies:



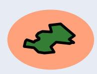
SEED DRESSING

- Application via conventional application machinery
- Simple use (e.g. cereals)



FILM COATING

- Application of a uniform layer which completely covers the seed without changing its shape (e.g. vegetables)
- Can be co-applied with fungicides and insecticides.



PELLETING

- Application of a uniform layer which completely covers the seed and changes its shape (e.g. sugar beet)
- Fungicides and insecticides can be incorporated

MULTILAYER COATING

- Highly sophisticated method allowing sequential application of multilayer materials
- Including incorporation of fungicides and insecticides

Bayer CropScience

Pace Maker in Seed Treatment Innovations

Seed borne → Soil borne → Foliar → Physiology → Application Technology

Seed borne	Soil borne	Foliar	Physiology	Application Technology	
Seed disinfection	Seedling protection	Crop protection	Seed enhancement	Crop protection; Plant health	Delivery Systems
Early 1900s: mercury based products (Uspulun)	1970/80s: systemic fungicides (Baytan) Early 1980s: water based products (Baytan Slurry)	Early 1990s: systemic insecticides (Gaucho)	First film coating products on the basis of polymers (Peridiam/ Datif)	Late 1990s: first product for take all control (Jockey/ Galmano) Early 2000s: new generation of systemic insecticides (Poncho)	Market need for novel delivery, application systems and A.I.s New round of seed treatment innovation

Innovation →

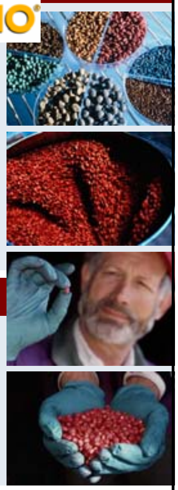
Bayer CropScience

Clothianidin:
The New Benchmark in Seed Treatment

Key Product Features

PONCHO

- Systemic by roots and leaves
- Major crops: Corn, sugar beet, oilseed rape, cereals, sunflower
- Broad spectrum of efficacy
- High compatibility to plants
- Most favorable toxicological profile of CNI family
- Favorable eco-toxicological properties



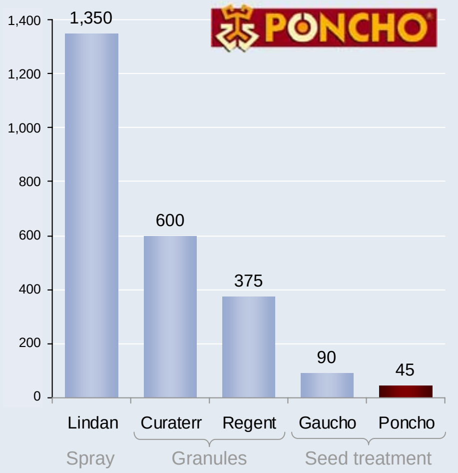
Strategy

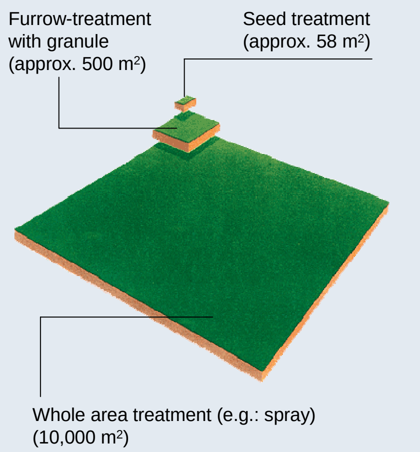
- Extend leadership in CNI seed treatment market
- Exploit new market segments on top of existing Gaucho segments
- Establish strong brand in the premium segment
- Global co-operation with major seed houses

Bayer CropScience

Clothianidin –
Setting New Standards in Treatment of Maize

Applied Grams A.I. per Hectare in Maize





Bayer CropScience

Bayer CropScience -
Leader in the High-Margin Seed Treatment Market

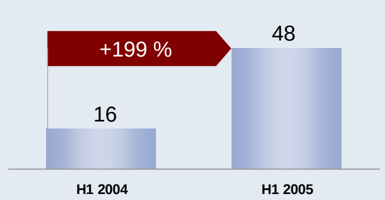
New A.I.s launched since 2000

Clothianidin — PONCHO

Prothioconazole — REDIGO

Sales of new A.I.s (Seed Treatment)

(In € million)



Highlights

- Successful launch of Poncho in Corn in the US exceeding our expectations
- Integration of Gustafson LLC (2004) proceeding smoothly
- Unrivaled technology know-how
- Strong technology-driven collaboration with seed companies
- Unique expertise in application technologies as an opportunity for future product differentiation

➲ Shaping the future of seed treatment as the clear market leader

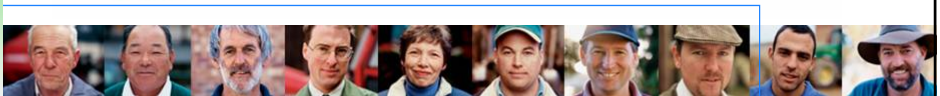
Bayer CropScience

Best-in-Class Crop Protection Portfolio

- Excellent portfolio position in Crop Protection
  - Clear market leader in insecticides, well prepared to deliver CNI strategy
  - Striving for global market leadership in fungicides
  - Innovation leadership in herbicides
  - Unrivaled market leader in seed treatment
- Active portfolio management to strengthen life cycles of top products, increase gross margins across the portfolio
- Best pipeline of new molecules in the industry offers significant growth opportunities for Bayer CropScience
- Targeting peak sales of ~ € 2 billion from new A.I.s launched / to be launched from 2000-2011

Bayer CropScience

Bayer CropScience



Your partner for growth

Thank you for your kind attention.