



Bayer CropScience AG
Corporate
Communications
40789 Monheim
Germany
Phone +49 21 73 38 30 34
www.newsroom.
bayercropscience.com

News Release

Annual Press Conference
Thursday, September 17, 2009
Bayer CropScience
Monheim

Address by

Dr. Joachim Schneider

Member of the Executive Committee of Bayer CropScience
and Head of BioScience

**„Determined Expansion of Our BioScience Business:
Innovative Solutions for Farmers Worldwide“**

(Please check against delivery)

(2009-1515e)

Ladies and gentlemen,

In our hectic and dynamic world of digital networks and electronic data streams, plants seem almost to be pristine. It feels like something as tangible and uncomplicated as seed has been around self-evident for thousands of years. From the lay-person's perspective there doesn't appear to be much change in this aspect of life. But this impression is deceptive. In our BioScience business unit, around 1,000 scientists and breeders all over the world are using state-of-the-art methods to study crop plants and to refine them continuously.



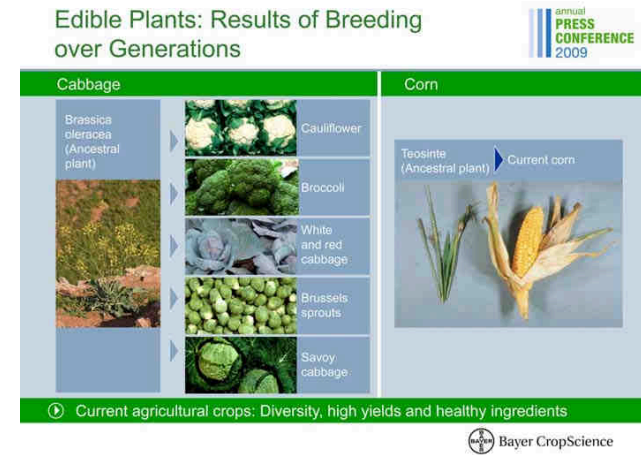
(2009-1515e-1)

I want to start today by giving you a brief insight into this world of plant biotechnology. I will then talk about our BioScience business, and will conclude by going into more detail about our plans for expanding this business in the coming years and the targets that we have set ourselves.



(2009-1515e-2)

Our researchers are continuing a tradition that has existed for thousands of years. People have been modifying the plant world by selecting and specifically breeding plants ever since mankind began growing food. Healthy plants are the basis of all technical and cultural progress. Human life is dependent on plants in every sense of the word. Without them, all the wonders of modern science and technology would be pointless. Plants are the basis of the air that we breathe and the food that we eat; mankind would not have been evolved and could not survive without them. Nowadays an adequate supply of low-cost food is taken for granted in many parts of the world – but in others the situation is just the opposite.



(2009-1515e-3)

People have forgotten how extensively human intervention over the course of the millennia has modified plants and in some instances has completely redesigned them. Our ancestors did not eat kohlrabi or Brussels sprouts – both are plants that have been bred from wild cabbage. Evolution is toiling tirelessly too, forcing plants to adapt to their environment and making weeds and insect pests more resistant. Our crops have lost the components that enabled their wild ancestors to protect themselves, and today would not survive long without human care. A constant effort has to be made to protect crops and to adapt them repeatedly to changing conditions.

Breeding – a Complex Matter

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Objectives of the breeder...

- Protect harvests against disease, insects, weeds and stress
- Improved nutrient uptake and increased yields
- Breeding of plants with desired traits: improved taste, high-quality ingredients, extended shelf-life

...and the toolbox



▶ The aim is to optimize the right tools or combination of tools needed to achieve the desired goals

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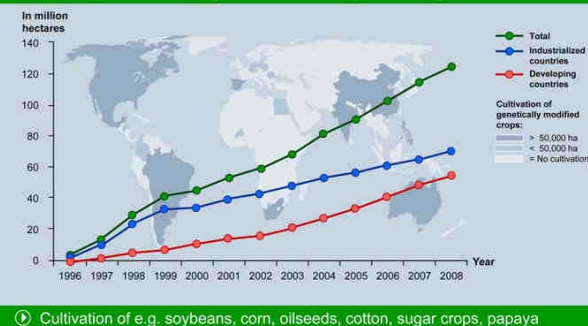
(2009-1515e-4)

In this scheme of things, modern plant breeding is becoming increasingly important for global agriculture and for Bayer CropScience too. We use the full spectrum of possibilities that this science offers. This includes the development of high-yielding hybrid varieties and a technique known as smart breeding, which makes breeding faster and more targeted. It also includes genetic modification, in which genes are selective transposed and which has become an important breeding tool. All these techniques and our classical breeding efforts pursue the same objectives: to protect harvests from disease, pests and weeds, to increase yields, and to improve the plants.

Cultivation of Biotech Crops Worldwide

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Genetically modified crops grow at 8.3% of the global acreage



▶ Cultivation of e.g. soybeans, corn, oilseeds, cotton, sugar crops, papaya

Source: Cive James ISAAA, 2009 (International Service for the Acquisition of Agri-biotech Applications)

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(2009-1515e-5)

Genetic modification is becoming increasingly firmly established outside Europe. Genetically modified plants have been cultivated worldwide on a major scale for the past 13 years or so, and are currently being grown on some 125 million hectares of land. That's almost one tenth of all the land being used for agriculture. More than 13 million farmers – and not just large operations but also small-scale farmers in Asia and Africa – are counting on seed produced using modern plant biotechnology.

The cultivation of many types of genetic modified crops is standard today; examples include soybeans, corn, cotton and canola. But there are also genetically modified varieties of less extensively grown crops, such as cucurbits, lucerne, sugar beet, tomatoes, poplars and papaya, and developments are moving ahead at a tremendous pace.

But the obstacles are clear to us as well. Not all the hopes and expectations placed in genetic modification 20 years ago have been fulfilled. It is already very successful in major segments such as protection against insect pests; but other goals have proven more difficult to achieve, such as the development of drought-resistant plants or plants with more efficient fertilizer uptake.

Yet we urgently need further progress if we are to counter the impact of population growth, climate change and desertification. It's something that requires perseverance, and we are gradually getting closer to our objectives: with plants that are resistant to attack by fungi, viruses and nematodes; with plants that are better adapted to unfavorable growing conditions

such as salty and karstified soil. In the past 20 years we have learnt an enormous amount about the ways in which plants cope with adverse environmental conditions and defend themselves against pests – and about how complex these organisms, which look so simple on first sight, really are. This is why we are confident that our technologies will enable us to make a major contribution to the agriculture of the future.



(2009-1515e-6)

Up to now, our activities in the BioScience business unit have focused on our four core crops: cotton, canola, rice and vegetables.

Seeds and Traits Business to Date: Focus on Four Key Market Areas

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	Average growth p.a.* of 21%	"Highest yielding canola seed" InVigor	Worldwide No. 1 in hybrid canola
	Average growth p.a.* of 25%	"The ultimate cotton fiber" FiberMax Stoneville	Worldwide No. 1 in cotton
	Average growth p.a.* of 38%	"Tomorrow's rice" Arize	Worldwide No. 1 in hybrid rice (excl. Chinese hybrids)
	Average growth p.a.* of 6%	"The global specialist in vegetable seeds" Hzv rathbun	Worldwide No. 4 in vegetables

* Period of 2002-2008; 2002 pro-forma sales Bayer + Aventis CropScience

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(2009-1515e-7)

We market top-quality seed from our in-house research for these crops. We are experiencing high growth rates in our four core crops and have achieved a strong position in these sectors worldwide.

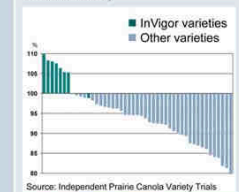
InVigor® - A Canola Success Story

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- €88 million sales in 2008 (+24%*)
- Market leader in North America
- Constant InVigor seed yield advantage was proven in independent trials for several years
- InVigor Health – a successful downstream product development of a "designer oil", an alliance between Bayer CropScience and Cargill
- LibertyLink® herbicide tolerant technology is the platform for an integrated €250 million Canola business
- Promising trait pipeline
- Expansion into new geographies, mid-term

Highest yields with InVigor


(Indexed yield of Canola varieties 2008 in Canada)



Source: Independent Prairie Canola Variety Trials



* At constant exchange rates

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(2009-1515e-8)

For example, sales of our strongest-selling crop – canola, the type of oilseed rape grown in North America – expanded by an average of more than 20 percent annually between 2002 and 2008. We are the market leader in North America with InVigor® hybrid canola varieties. They offer direct advantages not only for farmers – such as yield which is reliably higher than that produced by other comparable seed varieties – but also for consumers in the form of InVigor® Health, the oil profile of which is particularly healthy. These "specialty oils" enable us to offer our partners in the value-added chain solutions tailored to their needs and applications.

With significant investments, we are seeking to expand our canola business in the medium term in additional countries and are researching intensively to develop this crop further.

Global Cotton Seed Business Growing Strongly

- Strong sales growth despite negative market environment in 2008 (€96 million; +73%*)
- Successful integration of Stoneville® business and expansion of our FiberMax® and AFD® varieties in the US leading to market share gain (in terms of acres planted)
- Consolidation of our leadership position in Greece and Turkey; Fast growing business in Brazil and Mexico; Emerging presence in India
- Business expansion into further key markets planned
- Planned in 2010: Margin improvement through migration to in-house glyphosate-tolerance trait (GlyTol®); Launch of first "dual" herbicide-tolerant stacked trait worldwide in cotton
- Global cotton stocks on low levels should lead to increase in commodity prices mid-term



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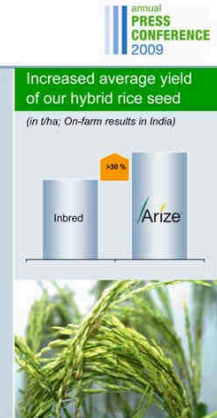
* At constant exchange rates

(2009-1515e-9)

Our second-biggest crop is cotton, the world's most important textile plant. Here Bayer CropScience has boosted sales in recent years by an average of 25 percent. We are the number 1 in cotton seed worldwide and in the United States. We strengthened our cotton business substantially when we acquired the U.S. cotton seed producer Stoneville two years ago. An increasing number of products of our own research are now reaching the market. One major step over the next year will be the introduction of our new herbicide-tolerant cotton varieties in the United States, which will further increase the herbicide options for growers. We believe that this business will remain attractive even if the public's attention is currently focused on plants primarily used for food production.

Enhancing Yields with our Hybrid Rice Varieties

- Fast growing business segment with high potential
- Leading in hybrid rice development: Global No. 1 (excluding Chinese hybrids)
- Arize® hybrid seeds offer proven superior yield advantage at a high grain quality, cooking and taste properties
- Arize Dhani with resistance against bacterial leaf blight (non-GM trait) was introduced in 2008
- Expansion of our platform with proprietary hybrids and integration of selected traits such as submergence-tolerance, salinity-tolerance, brown plant hopper-resistance
- Successful market entry of our hybrid rice business in the US in 2009



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(2009-1515e-10)

Our fastest-expanding segment is our hybrid rice seed business, which is recording year-on-year growth averaging 38 percent. Among the multinational companies, we are the global leader in this segment by a wide margin. This rice is a good example of the advantages offered by modern seed breeding. Our Arize® hybrid rice is a high-performance plant and produces yields more than 30 percent higher than those of conventional inbred rice varieties. Rice growers can recoup the higher cost of this higher-quality seed between three- and six-fold. Last year we successfully introduced Arize® Dhani, which is resistant to a much-feared leaf disease. We will continue to improve our hybrid rice varieties with further traits of this kind to increase their tolerance of flooding and excess salinity in the soil, for example.

Nunhems - The Global Specialist in Vegetable Seeds

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- €221 million sales in 2008 (+9%*)
- 2,500 varieties in 28 vegetable crops, created by conventional breeding techniques
- Ongoing geographical expansion into Asian and Pacific market
- Value creation along the vegetable supply chain through specialized crop advice and varieties with beneficial agronomic and quality traits
- Use of marker-assisted breeding technologies allow for more trait targeted variety development
- Recent innovations: e.g. Intense™ – the 'world's first non-leaking tomato'; Melons with enhanced flavor; Long-storage onions; High-yielding cucumber plants



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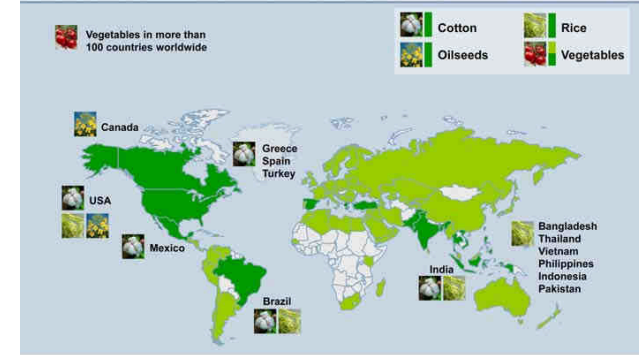
* At constant exchange rates

(2009-1515e-11)

We are continuously expanding our vegetable franchise, the fourth main focus of our business, as well. We rank fourth worldwide in this segment. The tremendous increase in our knowledge of plants that has been gained through molecular biology also assists in the breeding of vegetables. In this segment we are working to continuously improve the flavor, nutrient value and cultivation and processing properties of our 2,500 conventional vegetable varieties. Our Intense™ tomato, for example, combines resistance to fungi and viruses during cultivation with very good processing properties, and has been awarded two coveted innovation prizes for this achievement. Other examples of the progress that our breeders have made include melons with enhanced flavor and particularly high-yielding cucumber plants – advantages which benefit growers, the food chain and consumers directly. We are aiming to expand our vegetable business on a regional basis, with special emphasis on the Asia-Pacific region.

Cultivation of BioScience Seeds Worldwide

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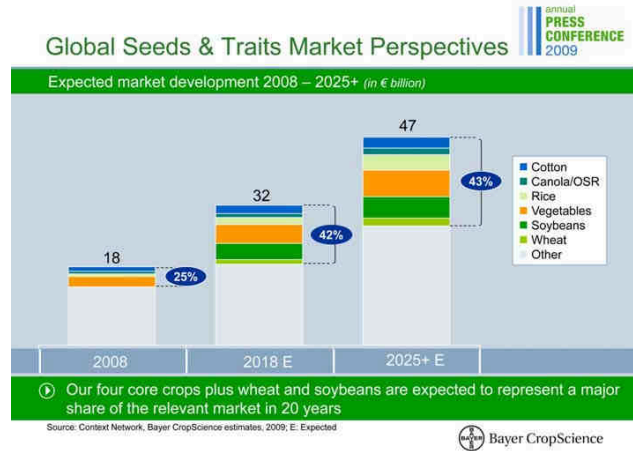
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We have a global presence with our four core crops: primarily in North America with canola, in North and Latin America, India and southern Europe with cotton, in Asia and, starting this year, the United States with hybrid rice, and in over 100 countries worldwide with our vegetable varieties. We want to continue expanding this portfolio on a regional basis, and we also want to expand our BioScience business to include additional crops.



(2009-1515e-13)

The market for seed and plant traits is not only interesting right now; it is set to grow constantly in the coming years. We expect this market to expand by an average of 6 percent or so annually through 2025.



(2009-1515e-14)

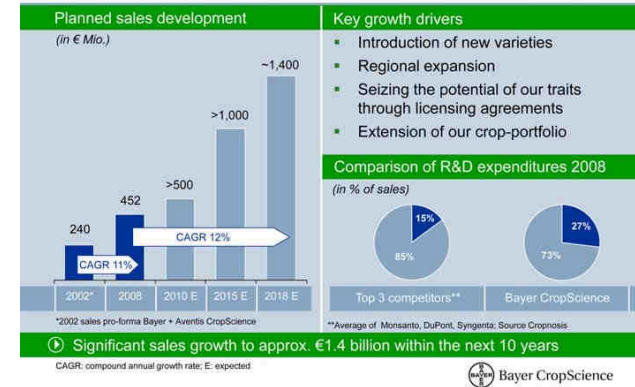
This means an increase from roughly EUR 18 billion in 2008 to EUR 32 billion in 2018 and around EUR 47 billion in 2025.

As in previous years, North America will play the dominant role here, while the significance of the developing countries and emerging economies is growing at the same time. We are currently active in about one quarter of the seeds and traits market. In the future we want to offer an expanded portfolio of products that will serve around one half of this market directly. We will enable our innovations to move into the other market segments by out-licensing our traits, and will thus profit from growth in these areas too.

Our goal is for our BioScience business unit to grow roughly twice as fast as the market in the next few years.

Drive Further Sales Growth in Our BioScience Business

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(2009-1515e-15)

We are charting a consistently good course despite the global economic crisis. In the first six months of this year our BioScience business grew 17 percent, accelerating the growth recorded in previous years. Our sales target for 2018 is roughly EUR 1.4 billion – about three times our current level. Major growth drivers include the introduction of new varieties, regional expansion, seizing the potential of our plant traits through out-licensing, and expansion of our portfolio to include other crops.

This growth is in part the result of our substantial spending on research and development, investment in facilities, and acquisitions. Our investment budget is equivalent to 27 percent of sales, making it one of the most generous in the global agricultural industry. And we will continue to invest systematically in the expansion of our business. One of the constant main focuses will be research and development, and we will be expanding our network of worldwide research locations.

Worldwide BioScience Network of Sites for Research and Development

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(2009-1515e-16)

In the United States, our second BioScience focused innovation center will be opening in a few weeks in Morrisville, North Carolina. This center is important for our presence in the North American market and will complement activities being pursued at our European center in Ghent, Belgium. In August we inaugurated one of the world's most modern canola research and breeding stations in Saskatoon, western Canada. In addition, we operate a total of 80 breeding and field stations worldwide.

Further research and development activities are pursued through a number of cooperation agreements with companies and institutes in the public sector.

Numerous Research Alliances with Leading Institutions and Companies in 2009

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Cooperations with the public sector, e.g.	Cooperations with companies
<ul style="list-style-type: none"> ▪ CNRS: Centre National de la Recherche Scientifique (stress tolerance, increasing yields) ▪ CNRRI: China National Rice Research Institute (rice) ▪ CSIRO: Commonwealth Scientific and Industrial Research Organisation (cereals) ▪ Leibniz-Institut für Pflanzengenetik (hybrid oilseeds) ▪ Texas Tech University (cotton) 	<ul style="list-style-type: none"> ▪ Chromatin (technology access) ▪ Evogene (rice) ▪ Nature Source Genetics (cotton) ▪ Performance Plants (cotton) ▪ Precision BioSciences (technology access)

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(2009-1515e-17)

This year we have continued to expand our cooperation efforts and so far have concluded ten new large research agreements and some smaller ones with biotech facilities in China, Israel, Canada and the United States. These cooperations will enlarge the "toolbox" available to our researchers and breeders by adding new findings and processes, but they are also of strategic importance. They are designed to expand our business in the four core crops and beyond.

In July we concluded a long-term, wide-ranging cooperation agreement with the Commonwealth Scientific and Industrial Research Organization, or CSIRO for short, based in Canberra, Australia – one of the most important research institutes in the world.

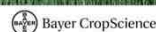
Cooperation with CSIRO: Cereals to Become New Key Crop



- Wheat is grown on a larger area than any other crop
- Production is falling behind as other crops have higher profitability
- Wheat stocks are under pressure from the rising global demand
- Comprehensive expertise in cereals at Bayer CropScience given our leading crop protection portfolio
- Long-term research agreement signed with CSIRO in July 2009
- Focus on productivity using the full spectrum of breeding techniques
- Priorities includes stress tolerance and nutrient uptake



CSIRO: Commonwealth Scientific and Industrial Research Organisation



(2009-1515e-18)

Together we want to develop new cereal varieties, with an emphasis on wheat. Wheat is grown on more agricultural land worldwide than any other crop. Bayer CropScience's is the world leader in wheat crop protection and we are familiar with the problems associated with this crop and with wheat farmers' requirements.

We want to develop a joint world-class research and development platform for cereals. The focus will be on improved yields, enhanced tolerance, and better nutrient uptake by plants. This cooperation with CSIRO commits Bayer CropScience to cereals as a further core crop in its BioScience business. New products for wheat could be available from 2015. We want to offer integrated solutions from sowing to harvest for this crop too.

This alliance is an outstanding example of our intensive collaboration with the public sector. Public-sector investment in agricultural research has plummeted in the past few decades. Yet the challenges facing agriculture as a result of population growth and climate change are too big for individual players to handle. This is the context in which we are seeking a partnership-based exchange with experts worldwide.

Licensing agreements are a further important element in the expansion of our business.

Licensing Agreements Supplement our Trait Business



Monsanto	Merck, M.S. Technologies	DuPont / Pioneer	Monsanto
(Jun. 2007): LibertyLink® for corn & soybeans	(Nov. 2007): Cooperation on soybeans	(Jun. 2009): Licensing agreement, including corn & soybeans	(Jun. 2009): LibertyLink® for oilseeds

- Seizing the potential of our extensive intellectual property in key technologies through outlicensing
- Expanding options for farmers enabling sustainable production systems, for example improved weed resistance management using combined herbicide-tolerant products
- Four comprehensive, long-term licensing agreements for key technologies achieved with renowned partners
- Cumulative income potential of more than €500 million

➔ Further agreements planned



(2009-1515e-19)

Licensing agreements provide companies with access to our technologies, enabling them to incorporate these technologies into crops that we do not market. The growing resistance manifested by weeds, for example, is making our LibertyLink® herbicide-tolerance technology an increasingly attractive proposition for other seed suppliers.

If this technology is combined with existing products, this gives farmers more options for weed control. In the United States, for example, there are now more than 85 seed companies using LibertyLink® technology for their soybean seed; they are offering their customers an additional reliable approach to weed control. We are also entering partnerships in order to expand our portfolio with further plant-biotechnology solutions.

A few weeks ago, we concluded major agreements in this field with the U.S. companies Monsanto and DuPont. We expect the combined sales potential of our four most important licensing agreements, which will bear fruit in the coming years, to exceed EUR 500 million.

Determined Expansion of the BioScience Business

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- Strong and leading positions in our current four key crops worldwide
- Extending our focus to other crops, including cereals, one of the most important food and feed crops in the world
- Further strengthening of our business through regional expansion
- Generating increased potential for revenues through outlicensing of our technologies
- Further significant investments in the expansion of our BioScience business
- Added value for farmers through integrated, innovative solutions from seed to harvest



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(2009-1515e-22)

This is why, in recent months, Bayer CropScience has reorganized its portfolio management and structured it according to crops. In these crops we want to provide comprehensive solutions to growers from seed to harvest.

Our BioScience business is a major element of our strategy.

- We will expand it on a regional basis.
- We will include further crops in our core portfolio.
- We will also out-license our solutions, and
- We will continue to invest significantly in our business.

Thank you for listening.

Forward-Looking Statements

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer Group or subgroup 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 Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.