



Science For A Better Life

Investor Presentation

Bayer CropScience Ltd., India

September 12, 2014



Content

- Overview Bayer Global
- Bayer Activities in India
- Bayer CropScience Ltd. Financials
- Market and Bayer CropScience Ltd. Business



Our Mission

“Bayer: Science For A Better Life”

- We are improving people’s quality of life by preventing, alleviating or curing diseases.
- We are helping to provide an adequate supply of high-quality food, feed and renewable plant-based raw materials.
- And our high-tech polymer materials are making significant contributions to factors such as energy and resource efficiency in the areas of mobility, construction and home living.



115,487 employees

Full year sales: €40.2 billion

289 subsidiaries

R&D expenditures: €3.2 billion

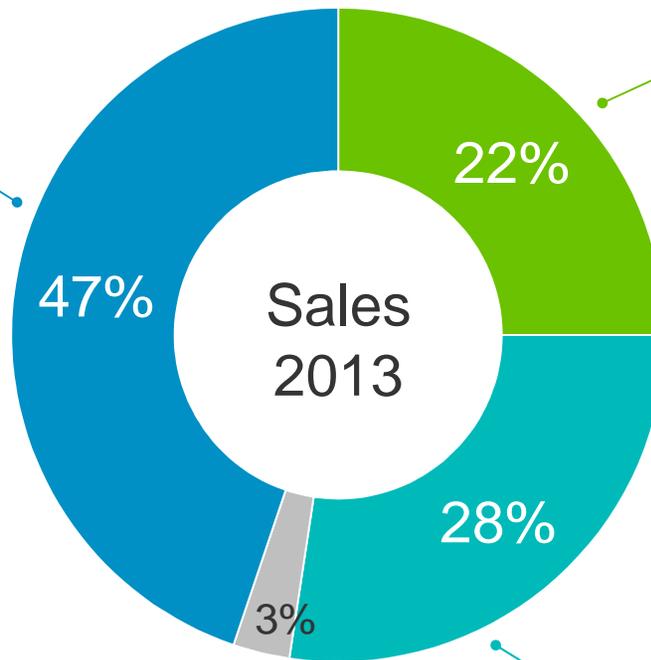
As of December 31, 2013 / Employees: June 30, 2014



Life Science sales represent more than 2/3 of Bayer's sales

HealthCare

Pharma,
Consumer Health



Others



CropScience

Seeds,
Crop Protection



MaterialScience

Polyurethanes,
Polycarbonate





Bayer MaterialScience

Business Areas

Polyurethanes

- Polyurethane is a foam material with wide variation of tailored properties
- Rigid foams are used for insulation in construction, refrigerators and other cold chain applications
- Elastic foams are used for furniture, mattresses, car and other vehicle seats
- Further applications in the automotive, sports and leisure industry

Polycarbonates

- A transparent, tough and heat resistant high-performance material for e.g.
 - Automotive lighting and exterior/interior parts
 - Electrical distribution (low voltage) equipment
 - Construction roofing for day lighting & heat management
 - Thinner, lighter mobile devices in consumer electronics
 - Medical devices and consumer products

Coatings, Adhesives, Specialties

- Input materials for coatings, adhesives, i.e.
 - solvent-reduced
 - solvent-free
- Coating raw materials for vehicles, industrial coatings, corrosion protection and others
- Adhesive raw material for furniture, shoes and vehicles and others





Bayer HealthCare

Business Areas

Pharmaceuticals

- General Medicine
- Specialty Medicine

Consumer Care

- Non-prescription drugs
- Vitamins and nutritional supplements
- Rx Dermatology

Medical Care

- Diabetes Care: monitoring systems and accessories
- Radiology & Interventional: Contrast agents, devices for diagnostic imaging and medical therapy

Animal Health

- Farm animal products
- Companion animal products





Bayer CropScience

Business Areas

Crop Protection

- Insecticides
- Fungicides
- Herbicides
- SeedGrowth

Seeds

- Vegetables seeds
- Seeds for agricultural crops (canola/oilseed rape, cotton, rice, soy)
- Traits

Environmental Science

- Professional Products
- Consumer Products





Innovation at Bayer

Addressing Unmet Market Needs

Challenges	Our Approach	Innovation Highlights	
Increased demand in growth markets, higher life expectancy, increasing requirements on healthcare industry	Bayer HealthCare: Improving the health of people and animals; break-through innovation for diseases with a high medical need	Important launches: <ul style="list-style-type: none">• Xarelto™• Eylea™• Stivarga™	
Growing need for food, feed and renewable resources	Bayer CropScience: Solutions tailored to customer requirements, from seed to shelf	Important launches: <ul style="list-style-type: none">• Alion™• Poncho™ / Votivo™• Xpro™ family	
Increasing quality of life, scarcer resources	Bayer MaterialScience: New applications for high-tech materials and leading-edge processes technology	Process advances: <ul style="list-style-type: none">• Using CO₂ as a component of synthesis• Oxygen-depolarized cathode technology for the production of chlorine from salt	

In line with our mission “Bayer: Science For A Better Life”

Sustainability is an Integral Part of the Corporate Strategy



For us, sustainability means striking a balance between economic growth and ecological and social responsibility.

The Bayer Group's sustainable alignment is based on responsible business practices such as:

- High standards in occupational, process and plant safety
- Product stewardship across the entire value chain
- Responsible marketing
- Stringent compliance and anti-corruption directives
- Future-oriented human resources policy
- Strict supplier management



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History of Bayer in India (1/2)

Bayer began its journey in India in 1896. Over a period of time, it has adapted itself to this culture-rich nation and established itself as a Company that manufactures world-class products.

- 1896** First wholly-owned subsidiary of Bayer in Asia “Farbenfabriken Bayer and Co. Ltd.” is set-up in Mumbai
- 1958** Bayer establishes Bayer Agrochem Private Limited in India
- 1963** The name of Bayer Agrochem changes to Bayer (India) Limited
- 1969** The company commences operations of a major plant in Thane
- 2002** Bayer acquires Aventis CropScience
- 2004** First Imidacloprid production facility outside Germany is inaugurated in Vapi
- 2005** Lanxess AG is spun off from the Bayer Group
- 2005** New nematicides plant is inaugurated in Ankleshwar



History of Bayer in India (2/2)

- 2007** Bayer MaterialScience (BMS) Polyurethane Systems House commences operations in Greater Noida (GN)
- 2009** Bayer Technology Services opens its first office in India at Thane
- 2011** Eco Commercial Building in GN as Bayer's first emissions-neutral office building in Asia
- 2011** Bayer Zydus Pharma a 50:50 joint venture between Bayer HealthCare and Zydus Cadilla
- 2011** BMS inaugurates the Color Competence and Design Center in GN
- 2011** BMS inaugurates a new aromatic and aliphatic polyisocyanate (PIC) facility
- 2013** Bayer BioScience opens a new Mustard Breeding Station in Palwal, Haryana
- 2013** Bayer BioScience opens a multi-crop breeding station in Chandippa, near Hyderabad
- 2014** New Headquarters of Bayer in India inaugurated at Thane

MaterialScience and HealthCare Legal entities in India



Manufacture, Marketing, Sales and distribution of High Tech Polymers of Polyurethanes, Polycarbonates, Coatings & Adhesives



Marketing and distribution of pharmaceutical products.



Third Party Manufacturing of Pharma and Animal Health products, Marketing and distribution of animal health and diabetes care products.



CropScience Legal entities in India



Bayer Bioscience Pvt. Ltd.

Research, development, production , conditioning and marketing of high quality hybrid seeds for field crops



Nunhems India Pvt. Ltd.

Development, production, conditioning, marketing and sales of vegetable seeds.



Bayer Vapi Pvt. Ltd.

Manufacture of active ingredients and its intermediates for use in a wide array of agriculture and environment protection products. Core site for BCS global.



Bayer CropScience Ltd.

Manufacture, Sales and distribution of insecticides, fungicides, herbicides and various other agrochemical products.
Sales and Distribution of high quality hybrid seeds for field crops.
Environmental Science deals in non-crop pest management and Industrial Vegetation Management

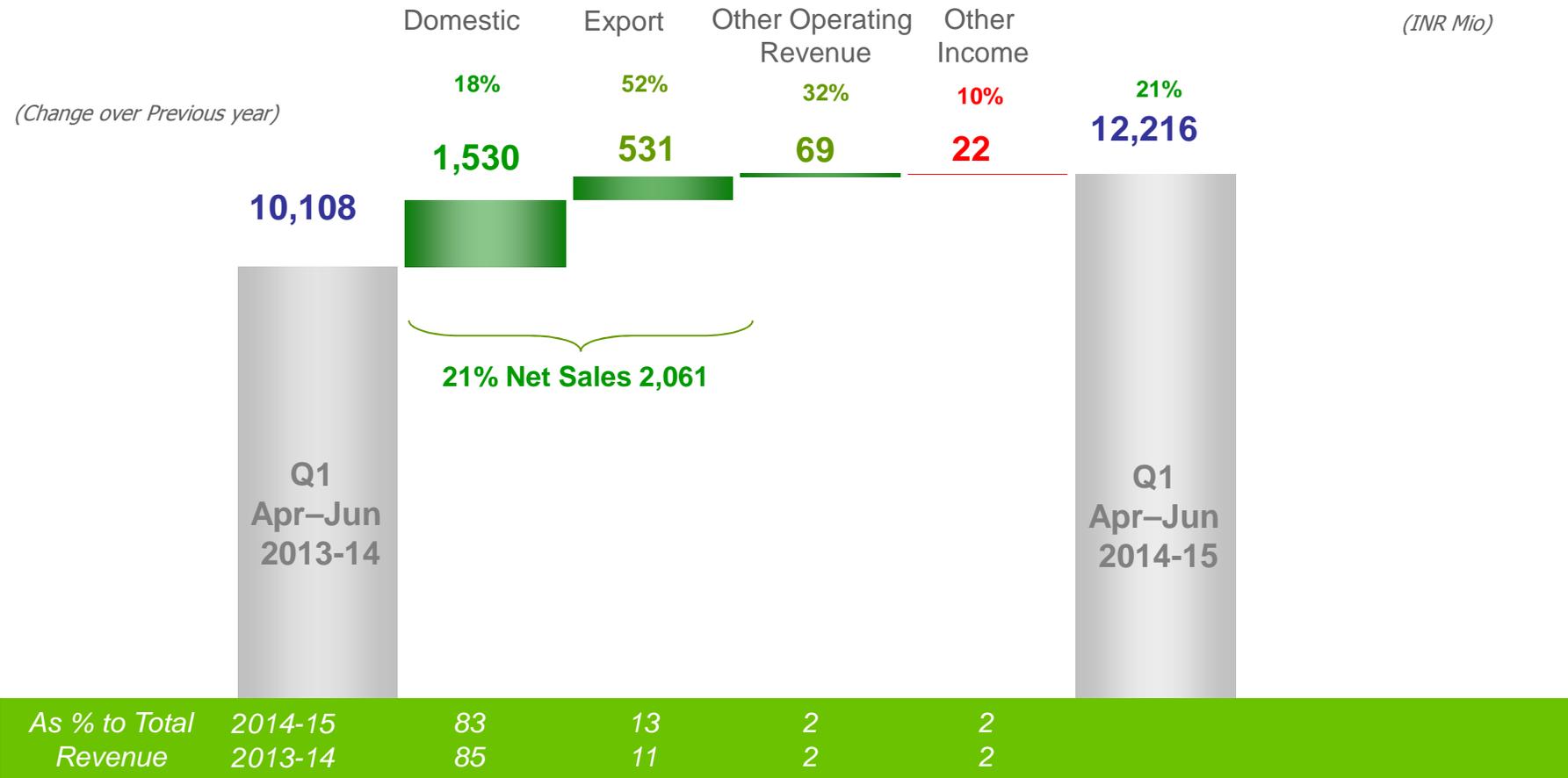


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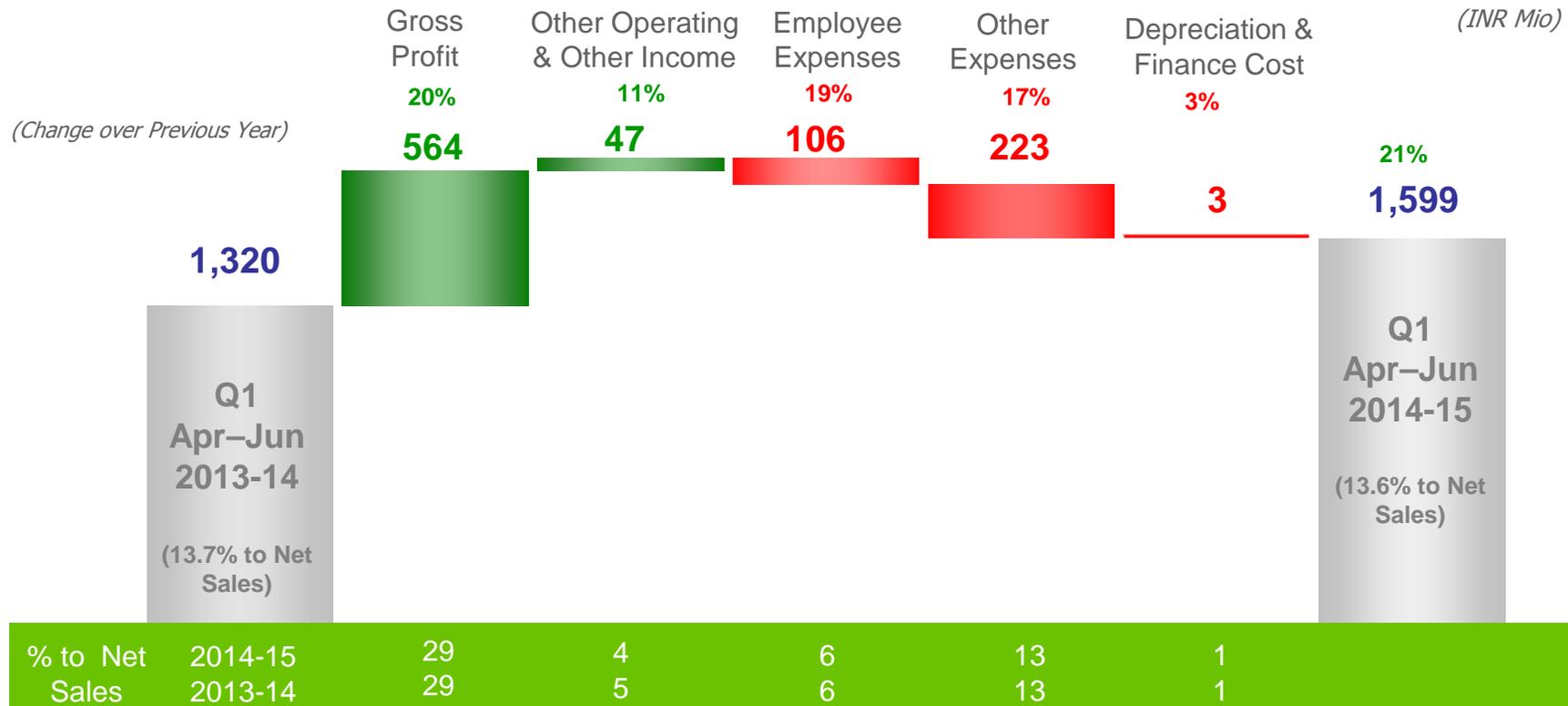


Strong revenue growth in Q1 mainly on account of Crop Protection sales





Profitability* growth in line with sales growth



* Profit before Exceptional Items & Taxation

Cash position reduced due to distribution of funds to shareholders



(INR Mio, Figures in chart %)

June 30, 2014



June 30, 2013





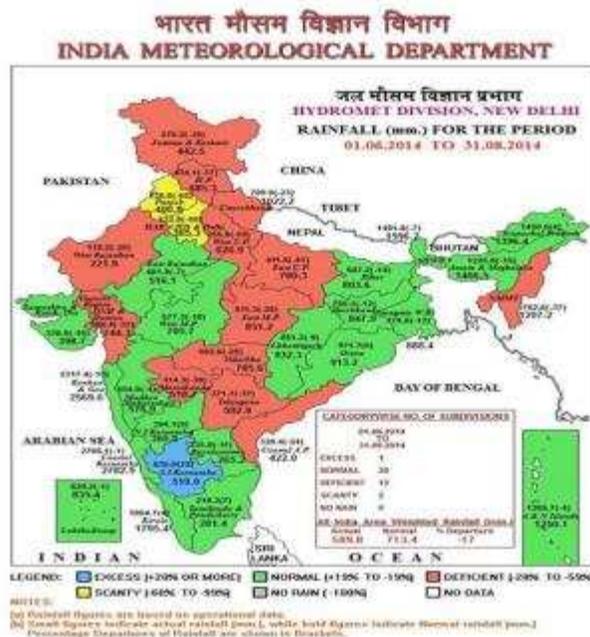
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Southwest Monsoon Season 2014

All India Monsoon Update



- Monsoon onset delayed by 20 days
- June rainfall 43% below normal, sowing delayed
- Sowing picked up with late July rainfall
- Jun - Aug rainfall still 17% below normal
- All regions still show deficit rainfall
- Sep rains critical for consumption

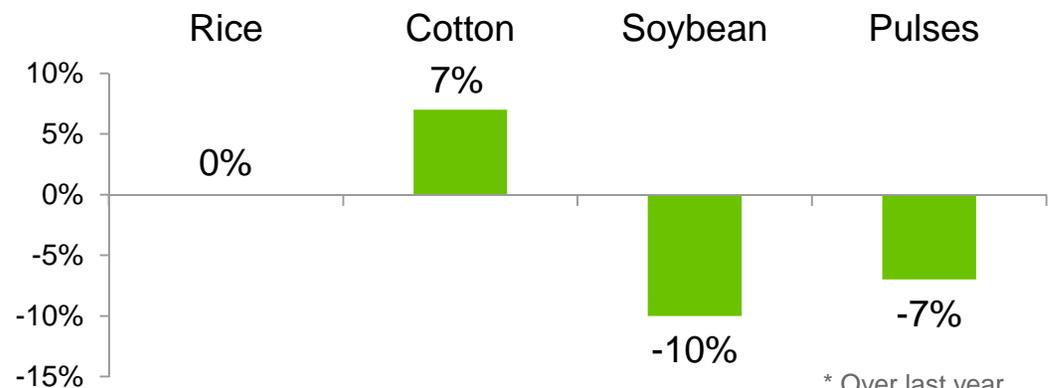
Reservoir Level Status (as on 21st Aug)



- 85% of LY
- 5% above normal*

* 10 year average

Sowing Status OLY* (as on 22nd Aug)



* Over last year

Key market impacts 2014



Opportunities

- Key market drivers fully in place
- Positive indications for the development of agriculture by the new government
- Increased Minimum Support Prices
- Attractive farm gate prices
- Increasing availability and acceptance of innovations

Challenges

- Delayed monsoon results in reduced acreages in Kharif (soya, cereals, pulses)
- Higher channel inventories
- Possible threat of El Nino in September
- Regulatory delays continue in general
- Rabi season depends on water availability
- Market growth expected mid-high single digit

Bayer CropScience mastering opportunities and challenges in 2014



Highlights

- Fungicides and Insecticides drive growth in Crop Protection (e.g. Nativo™, Antracol™, Regent™)
- Good sales of Arize™ Paddy Hybrid seeds
- Excellent response to new Surpass™ Cotton Hybrid (First Class™)
- Contingency plans for Kharif in place to counter weak monsoon
- Good response to Rice mechanical transplanting project started in South
- Bayer expands Integrated Crop Solution “Bayer Labhsutra”
- Value added pricing revision
- Launch of SeedGrowth Raxil Easy™

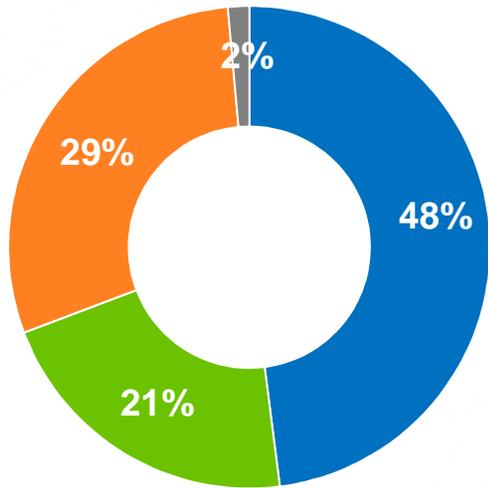
Lowlights

- Delays in product registration may impact sales
- Moderate increase of channel inventories due to slow season

Bayer CropScience has a strong presence in all market indications

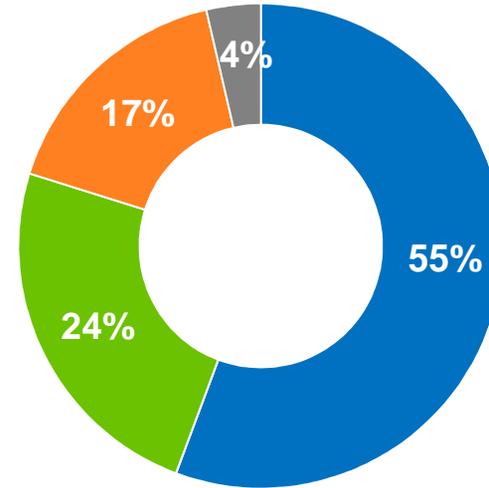


Total market India – split by indications 2013 ¹⁾



■ Insecticides ■ Herbicides
■ Fungicides ■ Seed Growth

Bayer CropScience portfolio contribution (domestic sales 2013)

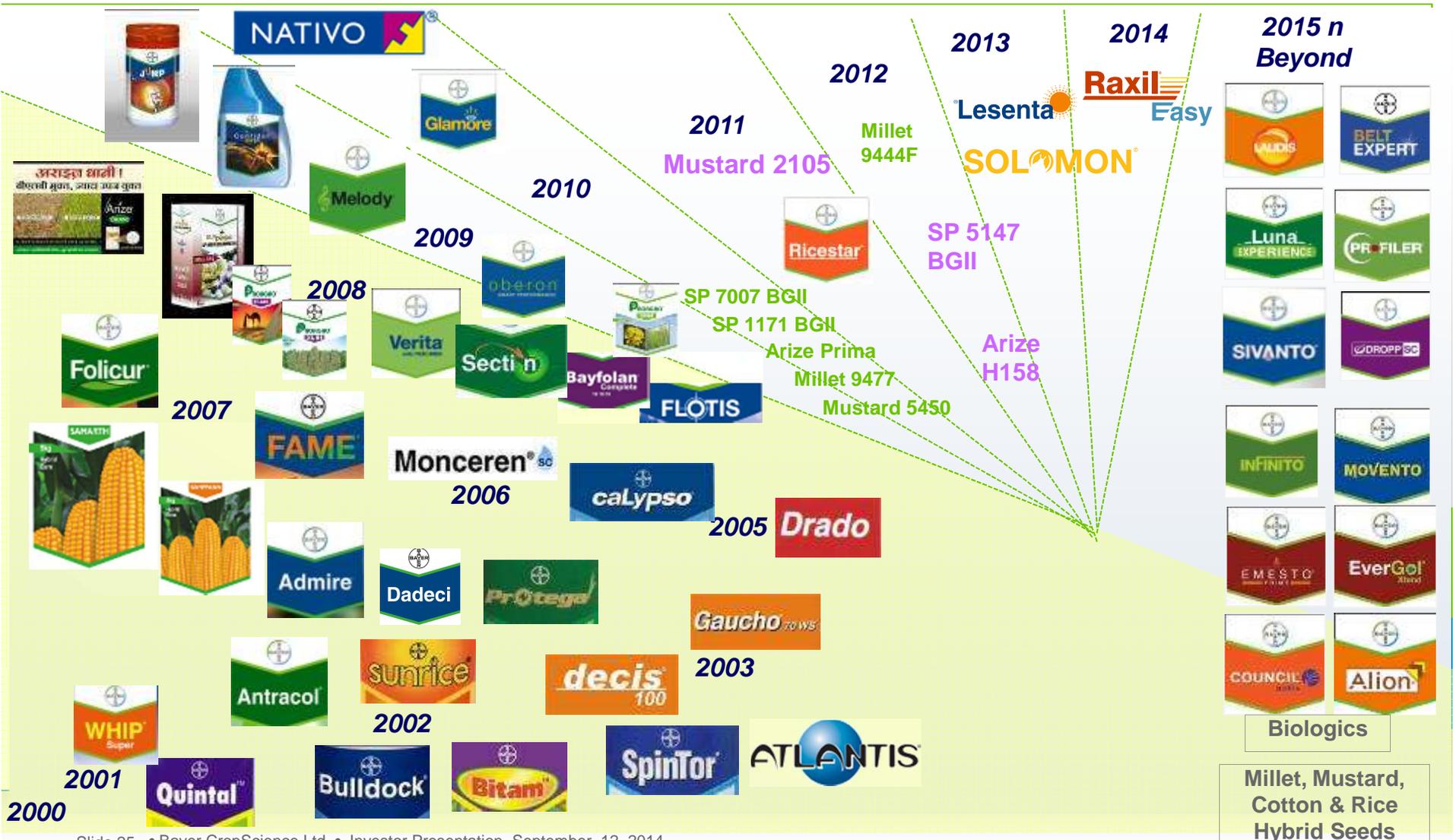


Bayer CropScience has a strong presence in insecticides, fungicides and seed growth. Bayer CropScience's product pipeline will strongly support growth in herbicides.

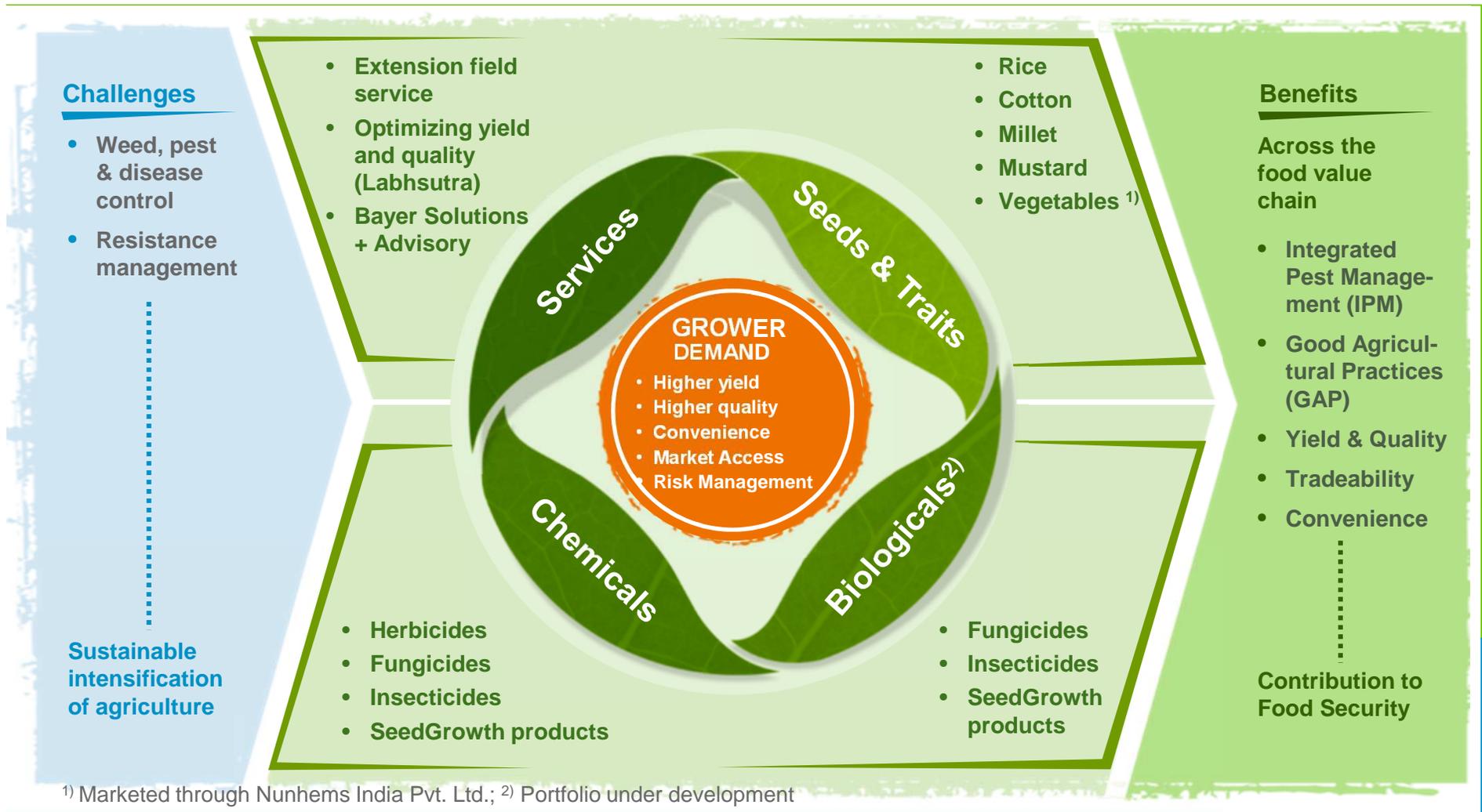
¹⁾Source: Bayer CropScience internal estimates

Innovation: the core of Bayer CropScience India

50 launches since 2001 and >12 projects from 2014 to 2016



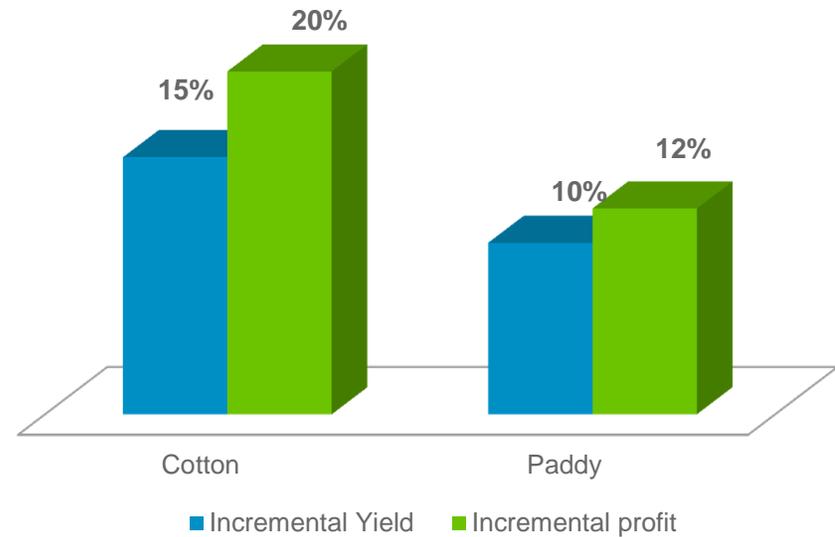
Bayer CropScience India - holistic approach to sustainable agriculture offering integrated crop solutions



Integrated solutions help boost farmer's prosperity

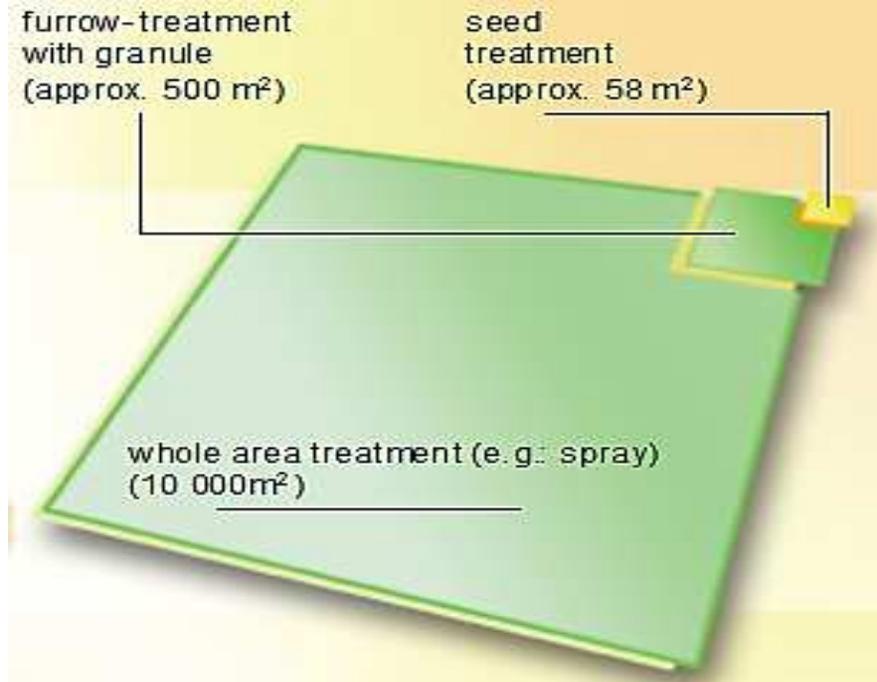
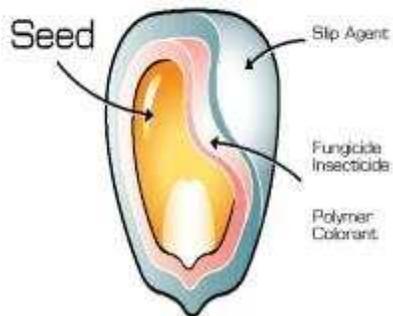


Bayer Labhsutra



- > 3400 field trials
- Focus crops: Rice, Cotton, Fruits & Vegetables
- Average ~20% income increase

SeedGrowth: the most targeted and efficient method of crop protection



Benefits of SeedGrowth treatment:

- Reduced application rates per unit area
- Better plant stand
- Plant protection from day one
- Makes basis for higher yield



Summary

- Strong fundamental drivers positively determine **adoption of innovations, productivity improvement & growth**
- **Bayer CropScience is strongly committed to bring innovations** to the Indian Farmer
- Empowering farmers with a variety of solutions **means transferring knowledge and demonstrating benefits**
- New technologies for **shared value creation are based on integrated solutions**
- Monsoon highly influences annual **agricultural input and output**
- Stronger **partnership and coordination between public and private stakeholders** required

Bayer CropScience is strongly committed to bring innovation to the Indian farmers' doorstep.....from "lab to land"





Disclaimer

Forward-Looking Statements

This presentation contains 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 assets, financial position, earnings, 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 <http://www.bayer.co.in/>. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

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Thank You