



Investor News

Two acquisitions advance Bayer CropScience's U.S. cotton platform

Assets of CPCSD and Reliance Genetics strengthen growing cotton seed portfolio

Monheim (Germany) / December 15, 2006 – Bayer CropScience announced today the completion of two acquisitions that advance the company's strategy in expanding its cotton seed business. In separate transactions, Bayer CropScience purchased the assets of California Planting Cotton Seed Distributors (CPCSD), Bakersfield, California, and the assets of Reliance Genetics LLC, Harlingen, Texas. The combined price for the related transactions amounts to about US\$ 20 million (approx. EUR 15 million).

The CPCSD transaction serves to broaden the geographic reach of Bayer CropScience's U.S. cotton platform, as well as strengthen its germplasm portfolio, particularly in the area of enhanced fiber quality. CPCSD is a developer, producer and distributor of high quality cotton seeds with modern production and processing facilities in the heart of California's San Joaquin Valley. CPCSD's high-value Pima and Acala varieties are known for producing high quality fiber and are sought after by spinners. They will ideally complement Bayer CropScience's FiberMax[®] cotton seed line. By acquiring the seed production and processing capabilities of CPCSD, Bayer CropScience will also increase operational efficiencies and profitability by having a dedicated facility in the western United States.

Reliance Genetics is a specialized cotton breeding program, which will further complement Bayer CropScience's current FiberMax[®] offering and expand the company's germplasm library. In acquiring the assets of Reliance, Bayer CropScience will gain the ability to introduce additional varieties into its FiberMax[®] line, including many that have the latest insect-resistant and herbicide-tolerant traits.

Says Mike Gilbert, Global Cotton Seed Manager of Bayer CropScience: “Acquiring the assets of CPCSD and Reliance Genetics is an excellent strategic fit for our U.S. cotton business. We will now be able to offer cotton farmers a more comprehensive cotton product portfolio with high quality fiber, special properties like high tolerance against heat and diseases, the latest traits for insect resistance and herbicide tolerance, and complementary crop protection products.”

Bayer CropScience, a subsidiary of Bayer AG with annual sales of about EUR 5.9 billion in 2005, is one of the world’s leading innovative crop science companies in the areas of crop protection, non-agricultural pest control, seeds and plant biotechnology. The company offers an outstanding range of products and extensive service backup for modern, sustainable agriculture and for non-agricultural applications. Bayer CropScience has a global workforce of about 19,000 and is represented in more than 120 countries. This and further news is available at: www.newsroom.bayercropscience.com

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Forward-looking statements

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