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Investor News

“Meet Management” investor conference:

Bayer sets ambitious growth and earnings aspirations

- Further sales and earnings growth pursued in all businesses
 - Combined peak annual sales potential of recently launched pharmaceutical products raised to over EUR 10 billion
 - Six further product candidates in the Pharmaceuticals pipeline have combined peak sales potential of at least EUR 6 billion
 - Strong brands driving business at Consumer Health
 - Above-market sales growth and substantial margin increases expected at Crop Science following the closing of the agreed acquisition of Monsanto
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Leverkusen, Germany, September 20, 2016 – The Bayer Group aims to achieve further growth in the coming years and is seeking higher sales and earnings in all businesses. “We are optimistic about Bayer’s medium-term development and have therefore set ambitious aspirations,” Management Board Chairman Werner Baumann said on Tuesday at the “Meet Management” investor conference in Cologne. “We anticipate especially significant sales and margin growth at Pharmaceuticals. This growth is expected to be driven particularly by the positive development of our recently launched products, for which we now see combined peak sales potential of more than EUR 10 billion,” said Baumann. At Crop Science, Bayer expects a substantial increase in the margin after closing of the planned acquisition of Monsanto. The prospects for Consumer Health and Animal Health are positive as well.

In the prescription medicines business (Pharmaceuticals), Bayer aspires to achieve average annual sales growth of approximately 6 percent by the end of 2018 after adjusting for currency and portfolio effects (Fx & portfolio adj.). Sales of this division totaled EUR 15,308 million in 2015 including the Radiology business. Bayer aims to

increase the EBITDA margin before special items of Pharmaceuticals to between 32 and 34 percent in 2018 (2015: 30.1 percent).

Baumann raised the estimate of the combined peak annual sales potential of the five recently launched pharmaceutical products from previously at least EUR 7.5 billion to now more than EUR 10 billion. Bayer now expects peak sales potential of more than EUR 5 billion (previously: approximately EUR 3.5 billion) for the anticoagulant Xarelto™; the figure for the eye medicine Eylea™ is now more than EUR 2.5 billion (previously: at least EUR 1.5 billion). The company anticipates peak sales potential of more than (previously: at least) EUR 1 billion for the cancer drug Xofigo™ and more than (previously: at least) EUR 0.5 billion for the pulmonary hypertension treatment Adempas. The peak sales potential of the cancer drug Stivarga™ is unchanged at at least EUR 1 billion.

“We are also very confident about our Pharmaceuticals business beyond these products,” stressed Baumann. He explained that Bayer has promising product candidates in its Pharmaceuticals pipeline, six of which have combined peak sales potential of at least EUR 6 billion. This includes vericiguat to treat worsening chronic heart failure (approximately EUR 0.5 billion), finerenone for diabetic kidney disease (at least EUR 1 billion), vilaprisan against uterine fibroids (at least EUR 1 billion), BAY-1841788 (ODM-201) to combat prostate cancer (at least EUR 1 billion), anetumab ravtansine to treat various types of cancer (at least EUR 2 billion) and copanlisib to combat lymphoma (at least EUR 0.5 billion). Overall Bayer currently has 19 projects in clinical Phase III, 16 in Phase II and 15 in Phase I. “We are planning at least 20 product launches at Pharmaceuticals by the end of 2023,” said the Management Board Chairman, explaining that this includes both new active substances and new indications for already approved substances.

Consumer Health aims to accelerate innovation

In the business with self-care products (Consumer Health), Bayer aims to grow average annual sales by between 4 and 5 percent (Fx & portfolio adj.) by the end of 2018 (2015: EUR 6,076 million). The company aspires to achieve a clean EBITDA margin of approximately 25 percent in 2018 (2015: 24.0 percent). In this attractive business, Bayer has a wide range of strong brands such as the analgesics Aspirin™ and Aleve™, the antihistamine Claritin™ and the Bepanthen™/Bepanthol™ wound and skin care products, Baumann explained. “At Consumer Health we want to concentrate on global brands that occupy leading positions in their respective categories and implement differentiated brand

strategies tailored to the respective local markets.” The focus here is on key markets such as the United States, China, Brazil and Russia, the Bayer CEO said, adding that the company aims to accelerate innovation at Consumer Health. According to Baumann, the objectives here include leveraging the growth potential offered by seeking regulatory approval for over-the-counter status for products that previously were only available with a prescription (Rx-to-OTC switches), and developing new digital health offerings for consumers.

Crop Science targeting higher margins following closing of the Monsanto acquisition

In the agricultural business (Crop Science), Bayer is aspiring above-market average annual sales growth (Fx & portfolio adj.) in the coming years, accounting for the agreed acquisition of Monsanto. Pro forma sales of the combined business of the Crop Science Division and Monsanto amounted to EUR 23.1 billion in the calendar year 2015. It is planned for the clean EBITDA margin of the combined agricultural business to reach more than 30 percent after the third year following closing of the transaction (2015 pro forma: approximately 27 percent).

“The agreed acquisition of Monsanto represents a major step forward for our Crop Science Division and reinforces Bayer’s position as a global, innovation-driven Life Science company with leadership positions in our segments,” said Baumann. He explained that Bayer aims to create a leading agricultural company with an integrated offering. The broad product range and the research and development pipeline of the combined business offer better solutions for farmers’ current and future needs, he said. Over the medium to long term, the combined company will be able to accelerate innovation and provide customers with enhanced solutions and an optimized product suite based on analytical agronomic insight supported by Digital Farming applications.

Bayer and Monsanto signed a definitive merger agreement on September 14 that enables Bayer to acquire Monsanto for USD 128 per share in an all-cash transaction. The acquisition is subject to customary closing conditions, including Monsanto shareholder approval of the merger agreement and receipt of required regulatory approvals. Closing is expected by the end of 2017.

“We also want to continue growing in the Animal Health business,” emphasized Baumann. Bayer aspires to grow sales of that business by between 4 and 5 percent

yearly on average through the end of 2018 (2015: EUR 1,490 million). The company seeks to reach a clean EBITDA margin of between 23 and 24 percent in 2018 (2015: 23.4 percent).

Bayer: Science For A Better Life

Bayer is a global enterprise with core competencies in the Life Science fields of health care and agriculture. Its products and services are designed to benefit people and improve their quality of life. At the same time, the Group aims to create value through innovation, growth and high earning power. Bayer is committed to the principles of sustainable development and to its social and ethical responsibilities as a corporate citizen. In fiscal 2015, the Group employed around 117,000 people and had sales of EUR 46.3 billion. Capital expenditures amounted to EUR 2.6 billion, R&D expenses to EUR 4.3 billion. These figures include those for the high-tech polymers business, which was floated on the stock market as an independent company named Covestro on October 6, 2015. For more information, go to www.bayer.com.

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Cautionary Statements Regarding Forward-Looking Information

Certain statements contained in this communication may constitute "forward-looking statements." Actual results could differ materially from those projected or forecast in the forward-looking statements. The factors that could cause actual results to differ materially include the following: the risk that Monsanto Company's ("Monsanto") stockholders do not approve the transaction; uncertainties as to the timing of the transaction; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected timeframes or at all and to successfully integrate Monsanto's operations into those of Bayer Aktiengesellschaft ("Bayer"); such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the transaction; the retention of certain key employees at Monsanto; risks associated with the disruption of management's attention from ongoing business operations due to the transaction; the conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the merger; the impact of indebtedness incurred by Bayer in connection with the transaction and the potential impact on the rating of indebtedness of Bayer; the effects of the business combination of Bayer and Monsanto, including the combined company's future financial condition, operating results, strategy and plans; other factors detailed

in Monsanto's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended August 31, 2015 and Monsanto's other filings with the SEC, which are available at <http://www.sec.gov> and on Monsanto's website at www.monsanto.com; and other factors discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. Bayer and Monsanto assume no obligation to update the information in this communication, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Additional Information and Where to Find It

This communication relates to the proposed merger transaction involving Monsanto and Bayer. In connection with the proposed merger, Monsanto and Bayer intend to file relevant materials with the SEC, including Monsanto's proxy statement on Schedule 14A (the "Proxy Statement"). This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, and is not a substitute for the Proxy Statement or any other document that Monsanto may file with the SEC or send to its stockholders in connection with the proposed merger. **STOCKHOLDERS OF MONSANTO ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and security holders will be able to obtain the documents (when available) free of charge at the SEC's web site, <http://www.sec.gov>, and Monsanto's website, www.monsanto.com, and Monsanto stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from Monsanto. In addition, the documents (when available) may be obtained free of charge by directing a request to Corporate Secretary, Monsanto Company, 800 North Lindbergh Boulevard, St. Louis, Missouri 63167, or by calling (314) 694-8148.

Participants in Solicitation

Monsanto, Bayer and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Monsanto common stock in respect of the proposed transaction. Information about the directors and executive officers of Monsanto is set forth in the proxy statement for Monsanto's 2016 annual meeting of stockholders, which was filed with the SEC on December 10, 2015, and in Monsanto's Annual Report on Form 10-K for the fiscal year ended August 31, 2015, which was filed with the SEC on October 29, 2015. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement and other relevant materials to be filed with the SEC in respect of the proposed transaction when they become available.