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Q3 2016 Analyst and Investor Briefing

October 26, 2016

- Bayer shows strong performance – acquisition of Monsanto agreed
- Group sales increase to €11.3 billion (Fx & portfolio adj.: +3.5%)
- Pharmaceuticals sustains very good business development
- Moderate increase in sales at Consumer Health
- Crop Science successful in a persistently difficult market environment
- EBITDA before special items increased to €2.7 billion (+6.0%)
- Net income €1.2 billion (+18.8%)
- Core earnings per share €1.73 (+2.4%)
- Forecast for core earnings per share raised
- Agreed acquisition of Monsanto creates a global leader in agriculture

Group Key Figures for Q3 2016 (continuing operations, unless stated differently)

Euro million	Q3 2015	Q3 2016	% y-o-y	Consensus**
Sales	11,004	11,262	2.3 / 3.5*	11,289
Volume	+4.4%	+3.6%	•	•
Price	-2.4%	-0.1%	•	•
Currency	+4.9%	-1.2%	•	•
Portfolio	+3.9%	0.0%	•	•
EBITDA	2,332	2,560	9.8	2,448
Net special items (EBITDA)	(198)	(122)	38.4	(74)
EBITDA before special items	2,530	2,682	6.0	2,532
EBIT	1,572	1,795	14.2	1,698
Net special items (EBIT)	(204)	(125)	38.7	•
EBIT before special items	1,776	1,920	8.1	1,772
Financial result	(280)	(274)	2.1	(303)
Income taxes	(298)	(305)	(2.3)	•
Income after taxes from cont. operations	994	1,216	22.3	•
Income after taxes from discount. operations	11	74	•	60
Net income - total	999	1,187	18.8	1,072
EPS - cont. operations (Euro/share)	1.19	1.34	12.6	1.23
EPS - discount. operations (Euro/share)	0.02	0.09	•	•
EPS - total (Euro/share)	1.21	1.43	18.2	•
Core EPS - cont. operations (Euro/share)	1.69	1.73	2.4	1.66
Core EPS - discount. operations (Euro/share)	0.03	0.10	•	•
Core EPS - total (Euro/share)	1.72	1.83	6.4	•
Gross cash flow	1,434	1,951	36.1	•
Delta working capital	798	1,086	36.1	•
Net cash flow from discount. operations	98	16	•	•
Net cash flow - total	2,330	3,053	31.0	•
CapEx - total (cash relevant)	655	656	0.2	•
Operating free cash flow - total	1,675	2,397	43.1	•
Euro million	June 30, 2016	Sept. 30, 2016	2015 figures restated *) Currency and portfolio adjusted sales growth **) Consensus figures as of October 17, 2016 provided by Vara Research GmbH	
Net financial debt	17,840	15,801		
Net pension liability	13,806	14,467		



Bayer Group Forecast 2016

We have adjusted the exchange rates relevant to our forecast to reflect current developments. For the fourth quarter of 2016 we are now using the exchange rates prevailing on September 30, 2016, including a EUR-USD rate of 1.12. A 1% appreciation (depreciation) of the euro against the relevant currencies would decrease (increase) sales on an annual basis by some €300 million and EBITDA before special items by about €90 million.

Following the signing in May 2016 of an agreement to sell the Consumer business of Environmental Science in the Crop Science Division, this business is no longer included in continuing operations and therefore is no longer included in the forecast.

The following forecast for the current fiscal year is based on the business development described in this report, taking into account the potential risks and opportunities and assuming the inclusion of the Covestro business for the full year.

Bayer Group

For the Bayer Group, including Covestro, we are still planning sales of €46 billion to €47 billion in 2016. This continues to correspond to a low-single-digit percentage increase on a currency- and portfolio-adjusted basis. As before, we plan to increase EBITDA before special items by a high-single-digit percentage. It is now our aim to also increase core earnings per share from continuing operations by a high-single-digit percentage (previously: a mid- to high-single-digit percentage). This takes into account Covestro's inclusion at around 64% starting on April 19, 2016 (January 1 to April 18, 2016: around 69%).

Life Sciences total

We continue to plan sales of approximately €35 billion for the Life Science activities, i.e. the Bayer Group excluding Covestro. This still corresponds to a mid-single-digit percentage increase on a currency- and portfolio-adjusted basis as previously forecasted. As before, we plan to increase EBITDA before special items by a mid- to high-single-digit percentage. Our planning includes dissynergies of around €130 million from the legal independence of Covestro and from divestments.

Pharmaceuticals

For Pharmaceuticals, we continue to expect sales above €16 billion. As before, this corresponds to a high-single-digit percentage increase on a currency- and portfolio-adjusted basis. We continue to plan to raise sales of our recently launched pharmaceutical products toward €5.5 billion. We are still expecting a low-teens percentage increase in EBITDA before special items. We aim to improve the EBITDA margin before special items.

Consumer Health

In the Consumer Health Division, we continue to expect sales to come in at approximately €6 billion. As before, we plan to grow sales by a low- to mid-single-digit percentage on a currency- and portfolio-adjusted basis. We still expect EBITDA before special items to come in on the level of the prior year.



Crop Science

In light of the persistently weak market environment, we continue to expect Crop Science sales to be on the prior-year level on a currency- and portfolio-adjusted basis. As before, this is equivalent to reported sales of about €10 billion. We continue to expect a low-single-digit percentage decrease in EBITDA before special items.

Animal Health

At Animal Health, we continue to expect sales to be slightly above the prior-year level. This still corresponds to a low- to mid-single-digit percentage increase on a currency- and portfolio-adjusted basis, as previously forecasted. We now expect EBITDA before special items to come in on the level of the prior year (previously: increase by a low- to mid-single-digit percentage).

Reconciliation

For 2016, we continue to expect sales to come in at approximately €1 billion. We are still planning EBITDA before special items of roughly minus €0.1 billion.

Covestro

For 2016, Covestro is still expecting a sales decline. For the full year, EBITDA after adjustment for special items is expected to come in at about €1.9 billion (previously: at least at the prior-year level for the second half of 2016).

Further Key Data for the Bayer Group

We continue to anticipate special charges in EBITDA in the region of €0.5 billion in 2016. The integration of the acquired consumer care businesses, charges in connection with the reorganization of the Bayer Group and the agreed acquisition of Monsanto are expected to account for most of this amount.

Our prediction for the financial result is unchanged at around minus €1.2 billion. The effective tax rate is now likely to be about 23% (previously: about 24%). We continue to expect net financial debt at below €16 billion at the end of 2016.

Further details of the business forecast are provided in Chapter 18.2 of the Combined Management Report in our Annual Report 2015.



Pharmaceuticals

<i>Euro million</i>	Q3 2015	Q3 2016	% y-o-y	Consensus**
Sales	3,870	4,152	7.3 / 7.6*	4,146
EBITDA before special items	1,253	1,421	13.4	1,359
EBITDA-margin before special items	32.4%	34.2%		32.8%

2015 figures restated

*) Currency and portfolio adjusted sales growth

***) Consensus figures as of October 17, 2016 provided by Vara Research GmbH

Best Selling Pharmaceutical Products

<i>Euro million</i>	Q3 2015	Q3 2016	% y-o-y	% y-o-y Fx
Xarelto	571	772	35.2	34.4
<i>of which USA</i>	105	139	32.4	31.8
Eylea	320	409	27.8	26.5
<i>of which USA</i>	0	0	•	•
Kogenate / Kovaltry	309	302	(2.3)	(2.4)
<i>of which USA</i>	113	105	(7.1)	(6.5)
Mirena product family	240	269	12.1	13.2
<i>of which USA</i>	163	186	14.1	15.0
Nexavar	234	212	(9.4)	(9.3)
<i>of which USA</i>	85	73	(14.1)	(13.5)
Betaferon / Betaseron	204	163	(20.1)	(19.7)
<i>of which USA</i>	108	81	(25.0)	(24.2)
YAZ product family	183	181	(1.1)	0.5
<i>of which USA</i>	45	36	(20.0)	(20.8)
Adalat	151	156	3.3	5.4
<i>of which USA</i>	1	0	•	•
Aspirin Cardio	130	128	(1.5)	1.7
<i>of which USA</i>	0	0	•	•
Glucobay	122	125	2.5	8.0
<i>of which USA</i>	0	0	•	•
Avalox / Avelox	84	86	2.4	8.8
<i>of which USA</i>	4	4	•	•
Gadavist / Gadovist	71	87	22.5	19.9
<i>of which USA</i>	22	26	18.2	18.9
Xofigo	69	85	23.2	25.4
<i>of which USA</i>	49	60	22.4	22.5
Ultravist	78	81	3.8	6.8
<i>of which USA</i>	1	1	•	39.3
Stivarga	73	64	(12.3)	(11.1)
<i>of which USA</i>	44	32	(27.3)	(25.5)

%y-o-y Fx: Currency adjusted sales growth

- Price +0.7%, volume +6.9%, currency -0.3%, portfolio ±0.0%
- Our recently launched pharma products showed continued strong development. Xarelto, Eylea, Xofigo, Stivarga and Adempas posted total combined sales of €1,395 million (Q3 2015: €1,082 million; Fx adj. +28.3%). Our Pharmaceuticals business expanded in all regions on a currency-adjusted basis.
- Xarelto once again posted strong sales growth due mainly to volume increases in Europe and Japan. We also registered encouraging gains in the U.S., where it is marketed by a subsidiary of Johnson & Johnson.



- We considerably raised sales of Eylea, due particularly to good business performance in Europe and Canada.
- Fluctuations in the order volumes placed by our distribution partner resulted in slightly lower sales of Kogenate / Kovaltry.
- We posted strong sales gains for the Mirena product family due particularly to positive price development in the United States.
- Business with Nexavar was noticeably down against the prior-year level, particularly as a result of increased competitive pressure in the United States.
- Sales of Betaferon / Betaseron receded significantly, mainly because of a weaker business performance in the United States and Europe.
- Sales of the YAZ product family were level with the prior-year quarter on a currency-adjusted basis. Higher demand in Russia and China was offset by weaker development in the United States.
- Sales increases for Adalat resulted primarily from higher volumes in China.
- We posted slight growth in sales of Aspirin Cardio that was largely attributable to the business in LatAm.
- Business with Glucobay and Avalox / Avelox continued to benefit from high demand in China.
- The strong growth in sales of Gadavist / Gadovist was attributable to significant volume gains in Japan and the United States.
- Sales of Xofigo increased substantially, especially in the United States and Europe.
- We posted growth in sales of Ultravist, due particularly to expanded volumes in Europe.
- Sales of Stivarga receded noticeably due to intensified competition in the United States.
- Sales of Adempas amounted to €65 million (Q3 2015: €49 million; Fx adj. +30.5%) and, as previously, reflected the proportionate recognition of the one-time payment resulting from the sGC collaboration with Merck & Co. Business developed positively, especially in the United States.
- **EBITDA before special items** increased substantially, although investment in research and development remained disproportionately high. One factor in this earnings growth was the very good development of business, particularly for our recently launched products. Another factor was our success in keeping selling expenses at around the same level year on year.

Consumer Health

<i>Euro million</i>	Q3 2015	Q3 2016	% y-o-y	Consensus**
Sales	1,424	1,425	0.1 / 3.6*	1,459
EBITDA before special items	340	328	(3.5)	347
EBITDA-margin before special items	23.9%	23.0%		23.8%

2015 figures restated

*) Currency and portfolio adjusted sales growth

**) Consensus figures as of October 17, 2016 provided by Vara Research GmbH

- Price +2.4%, volume +1.2%, currency -3.5%, portfolio ±0.0%
- Business at Consumer Health developed positively in the LatAm / Africa / Middle East, North America and Asia / Pacific regions. In Europe, however, sales declined slightly compared with a strong prior-year quarter.
- **EBITDA before special items** of Consumer Health declined. The earnings contributions from the positive business development were not sufficient to offset the higher cost of goods sold and currency effects of around minus €20 million.



Crop Science

<i>Euro million</i>	Q3 2015	Q3 2016	% y-o-y	Consensus**
Sales	2,081	2,057	(1.2) / 0.0*	2,091
Crop Protection / Seeds	1,957	1,911	(2.4) / (1.1)*	•
Environmental Science	124	146	17.7 / 17.7*	•
EBITDA before special items	316	318	0.6	297
EBITDA-margin before special items	15.2%	15.5%		14.2%

2015 figures restated

*) Currency and portfolio adjusted sales growth

**) Consensus figures as of October 17, 2016 provided by Vara Research GmbH

Q3 2016	Europe		North America		Asia/Pacific		LatAm/Africa/Middle East	
	Euro million	% y-o-y Fx	Euro million	% y-o-y Fx	Euro million	% y-o-y Fx	Euro million	% y-o-y Fx
Crop Science	463	5.8	368	5.7	367	1.1	859	(5.3)

2015 figures restated

%y-o-y Fx: Currency adjusted sales growth

- Price +4.0%, volume -4.0%, currency -1.2%, portfolio \pm 0.0%
- Business at Crop Protection / Seeds was steady overall at the prior-year level despite an ongoing weak market environment, particularly in LatAm. Sales of Environmental Science developed very encouragingly.
- Sales at Crop Protection came in at €1,759 million (-2.6% Fx & portf. adj.). While Fungicides (€615 million, +8.1% Fx & portf. adj.) developed positively, Herbicides (€480 million, -1.0% Fx & portf. adj.), Insecticides (€385 million, -16.8% Fx & portf. adj.) and SeedGrowth (€279 million, -3.7% Fx & portf. adj.) declined. Sales in Seeds grew strongly to €152 million (+21.6% Fx & portf. adj.).
- In Europe, Fungicides developed especially well with double-digit growth after a weak prior-year quarter. We also considerably improved sales at Herbicides and business with oilseed rape/canola seed. By contrast, we registered a decline at SeedGrowth. Business at Environmental Science developed very positively.
- In North America, we achieved strong double-digit sales growth in the Seeds unit, particularly for soybean seeds. At Crop Protection, business with herbicides for application in corn developed very positively. By contrast, there were considerable sales declines at Fungicides and Insecticides. Sales at Environmental Science increased by a double-digit percentage.
- In the Asia / Pacific region, a gratifying, weather-related increase in sales at Fungicides more than offset declines at Herbicides and Insecticides. Sales at Seeds came in well below the prior-year quarter. Environmental Science developed very positively.
- In the LatAm/Africa/Middle East region, we again registered a substantial decrease in sales in Brazil, due to the difficult market and liquidity situation. Business contracted at both Insecticides and Herbicides. By contrast, there was an increase in sales at Fungicides, primarily with products for use in soybeans and corn. Business with soybean seeds developed very encouragingly. Environmental Science also grew business substantially.
- **EBITDA before special items** came in at prior-year level. Higher selling prices and a positive currency effect of around €80 million stood against lower volumes, higher write-downs on receivables and higher R&D expenses, among other things.



Animal Health

<i>Euro million</i>	Q3 2015	Q3 2016	% y-o-y	Consensus**
Sales	357	360	0.8 / 2.5*	371
EBITDA before special items	84	89	6.0	90
EBITDA-margin before special items	23.5%	24.7%		24.3%

*) Currency and portfolio adjusted sales growth

**) Consensus figures as of October 17, 2016 provided by Vara Research GmbH

- Price +1.7%, volume +0.8%, currency -1.7%, portfolio ±0.0%
- A positive sales development was noted especially in the Asia / Pacific region. We also recorded sales increases in Europe, while business in North America declined slightly.
- **EBITDA before special items** increased due especially to volume and price increases and to lower selling expenses. These stood against an increase in the cost of goods sold and in R&D expenses.

Life Sciences

<i>Euro million</i>	Q3 2015	Q3 2016	% y-o-y	Consensus**
Sales	7,995	8,258	3.3 / 4.5*	8,321
EBITDA before special items	2,058	2,118	2.9	2,049
EBITDA-margin before special items	25.7%	25.6%		24.6%

2015 figures restated

*) Currency and portfolio adjusted sales growth

**) Consensus figures as of October 17, 2016 provided by Vara Research GmbH

Covestro

<i>Euro million</i>	Q3 2015	Q3 2016	% y-o-y	Consensus**
Sales	3,009	3,004	(0.2) / 1.0*	2,973
EBITDA before special items	472	564	19.5	482
EBITDA-margin before special items	15.7%	18.8%		16.2%

*) Currency and portfolio adjusted sales growth

**) Consensus figures as of October 17, 2016 provided by Vara Research GmbH

- Price -5.1%, volume +6.1%, currency -1.2%, portfolio ±0.0%
- At Covestro, volumes were up year on year overall, particularly at Polycarbonates and Polyurethanes. Selling prices declined in all business units, mainly due to raw material price development.
- The increase in **EBITDA before special items** resulted mostly from lower raw material prices and higher volumes that more than offset the decline in selling prices. Earnings were diminished by a negative currency effect of around €10 million.

Key figures for Q3 2016

	Pharmaceuticals		Consumer Health		Crop Science		Animal Health		Reconciliation		Life Sciences		Covestro		Group	
	Q3'15	Q3'16	Q3'15	Q3'16	Q3'15	Q3'16	Q3'15	Q3'16	Q3'15	Q3'16	Q3'15	Q3'16	Q3'15	Q3'16	Q3'15	Q3'16
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	3,870	4,152	1,424	1,425	2,081	2,057	357	360	263	264	7,995	8,258	3,009	3,004	11,004	11,262
Sales by region:																
Europe	1,314	1,415	410	394	450	463	93	91	247	248	2,514	2,611	1,130	1,070	3,644	3,681
North America	1,057	1,071	580	600	351	368	140	137	1	7	2,129	2,183	729	700	2,858	2,883
Asia / Pacific	1,067	1,223	177	185	363	367	71	83	3	0	1,681	1,858	819	922	2,500	2,780
LatAm/Africa/Middle East	432	443	257	246	917	859	53	49	12	9	1,671	1,606	331	312	2,002	1,918
EBITDA	1,246	1,416	308	301	313	247	79	88	-2	-56	1,944	1,996	388	564	2,332	2,560
Special items	-7	-5	-32	-27	-3	-71	-5	-1	-67	-18	-114	-122	-84	0	-198	-122
EBITDA before special items	1,253	1,421	340	328	316	318	84	89	65	-38	2,058	2,118	472	564	2,530	2,682
EBITDA margin before special items	32.4%	34.2%	23.9%	23.0%	15.2%	15.5%	23.5%	24.7%	24.7%	-14.4%	25.7%	25.6%	15.7%	18.8%	23.0%	23.8%
EBIT	940	1,097	209	194	187	135	70	81	-51	-110	1,355	1,397	217	398	1,572	1,795
Special items	-7	-6	-32	-29	-4	-71	-7	-1	-67	-18	-117	-125	-87	0	-204	-125
EBIT before special items	947	1,103	241	223	191	206	77	82	16	-92	1,472	1,522	304	398	1,776	1,920
EBIT margin before special items	24.5%	26.6%	16.9%	15.6%	9.2%	10.0%	21.6%	22.8%	6.1%	-34.8%	18.4%	18.4%	10.1%	13.2%	16.1%	17.0%
Gross cash flow	857	998	207	236	213	187	53	60	-206	23	1,124	1,504	310	447	1,434	1,951
Net cash flow	943	998	230	215	603	1,027	100	80	30	49	1,906	2,369	326	668	2,232	3,037
Financial result															-280	-274
Income after taxes from continuing operations															994	1,216
Income after taxes from discontinued operations															11	74
Net income															999	1,187
Earnings per share - continuing operations (€)															1.19	1.34
Earnings per share - discontinued operations (€)															0.02	0.09
Earnings per share (€)															1.21	1.43
Core earnings per share - continuing operations (€)															1.69	1.73
Core earnings per share - discontinued operations (€)															0.03	0.10
Core earnings per share (€)															1.72	1.83
CapEx (cash effective)															653	656
R&D															1,039	1,122
D&A and Write-downs	306	319	99	107	126	112	9	7	49	54	589	599	171	166	760	765
Employees at end of period	41,124	39,994	13,756	12,909	23,446	22,323	3,820	3,982	19,795	20,309	101,941	99,517	15,698	15,639	117,639	115,176

2015 figures restated



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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 time-frames 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, 2016 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 assumes 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 Company ("Monsanto") and Bayer Aktiengesellschaft ("Bayer"). In connection with the proposed merger, Monsanto and Bayer intend to file relevant materials with the U.S. Securities and Exchange Commission (the "SEC"). Monsanto has filed with the SEC a preliminary proxy statement on Schedule 14A and will file and provide to Monsanto stockholders a definitive proxy statement (the "Proxy Statement") that will contain important information regarding the proposed merger. 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 DEFINITIVE 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 website, <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, 2016, which was filed with the SEC on October 19, 2016. 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.