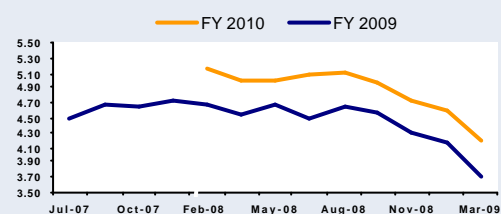


Date: 03/25/2009

Consensus Rating*: +1.48 (Acc.)

Previous rating	+1.57 (Buy)
Stock price (in Euro)	38.45
High/Low (52 weeks)	57.53/32.69
Market cap (in Euro)	42,033.7
ISIN	DE0005752000
Reuters	BAYG.X
Bloomberg	BAY GR
Exchange	XETRA
Sector	Chemicals
Internet	www.investor.bayer.com
Coverage	24

Core EPS Estimates in Euro

Change in Estimates (in Euro m)

	Q1 09E	Q1 08	Change
Sales	8,160	8,536	-4.4%
EBITDA clean	1,835	2,185	-16.0%
EBITDA	1,758	2,055	-14.5%
Core EPS	1.02	1.44	-29.2%
EPS	0.73	0.96	-24.0%

** Core EPS as defined by Bayer

* Consensus Rating (CR):

Classification:

Buy:	1.50 = CR < 2.00
Accumulate:	0.50 = CR < 1.50
Hold:	-0.50 < CR < 0.50
Reduce:	-1.50 = CR < -0.50
Sell:	-2.00 = CR < -1.50

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Bayer AG

Summary

2009 Bayer Group forecast
Market assumptions:

HealthCare markets: +3-5%
 CropScience markets: +2-3%
 MaterialScience markets: very difficult year marked by a great deal of uncertainty
 Exchange rate: US\$/€ 1.35

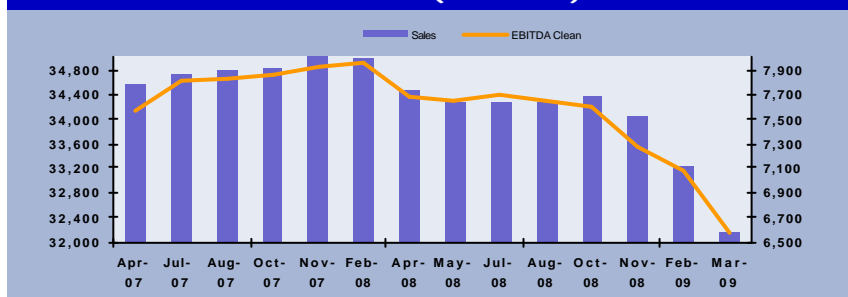
For HealthCare and CropScience Bayer expects a gratifying trend in 2009, with growth in sales and underlying EBITDA. At MaterialScience the start to the year has been even weaker than expected, and Bayer therefore anticipates an extremely difficult year for this subgroup, with a severe drop in sales and earnings. In this negative scenario for MaterialScience Bayer is nevertheless confident of limiting the decline in underlying Group EBITDA to about 5%. Group sales would probably then be in the region of €32bn. Should there be a tangible recovery in the MaterialScience business in the short term, underlying Group EBITDA could match the very high level of 2008 or even post a slight increase.

Price Targets in Euro

	Current	Previous	Change	Up-/Downside
Current price	38.45			
Highest	57.80	65.00	-11.1%	50.3%
Consensus	48.39	54.97	-12.0%	25.9%
Median	47.00	57.00	-17.5%	22.2%
Lowest	35.00	45.00	-22.2%	-9.0%

Consensus Valuation

	Core EPS**	EBITDA clean	P/E	EV/Sales	EV/EBITDA	Div. Yield
2007	3.80	6,777	13.58	1.69	8.08	2.6%
2008	4.17	6,931	12.23	1.71	8.11	2.7%
2009E	3.70	6,565	10.39	1.31	6.44	3.7%
2010E	4.19	7,072	9.18	1.21	5.68	4.0%
2011E	4.85	7,703	7.93	1.09	4.86	4.3%

FY 2009 Consensus Estimates (in Euro m)

Quarterly Development (in Euro m)
