



Bayer AG
Investor Relations
51368 Leverkusen
Germany
www.investor.bayer.com

Investor News

Expansion and investment in southern US soybean seed market:

Bayer CropScience to acquire US-based Hornbeck Seed Company

Leverkusen, March 23, 2011 – Bayer CropScience announced today that it has entered into an agreement to purchase Hornbeck Seed Company Inc. (HBK), a privately-held company headquartered in DeWitt, Arkansas, USA. Hornbeck is a seed company supplying soybean, rice, and wheat varieties in the southern US-market, with an in-house soybean breeding program and proprietary soybean germplasm. Bayer CropScience will acquire the seed businesses and gain access to quality soybean germplasm for future variety and trait development. Financial details were not disclosed.

Since its founding in the early 1980s, Hornbeck has grown into one of the Mid-South's most reputable seed suppliers. The company is known for providing high-quality seed and excellent service to customers across Alabama, Arkansas, Georgia, Louisiana, Mississippi and Texas.

For Bayer CropScience, the acquisition is a logical step in a series of investment decisions addressing the needs of southern growers, and in particular soybean growers. Further milestones were the Stoneville Pedigreed Seed acquisition in 2007, the M.S. Technologies collaboration in soybeans in 2007, the launch of LibertyLink[®] soybeans in 2009 and the Athenix Corp. acquisition in 2009.

Hornbeck's focus on breeding top yielding soybean varieties, combined with Bayer CropScience's active trait research and development pipeline, including herbicide-tolerance and insect- and nematode resistance programs specific to soybean, will strengthen Bayer CropScience's position as a provider of value-added seeds and traits. Additionally, the acquisition will bring to Bayer CropScience new talent and expertise in the areas of soybean breeding and licensing, as well as in soybean, rice and wheat seed production, seed processing and agronomic services.

Bayer CropScience's proprietary traits will be introgressed and commercialized via Hornbeck's soybean germplasm base and high quality breeding program. Hornbeck varieties with the LibertyLink® trait will continue to be a key near term area of focus of the breeding program to help address weed resistance in the southern US soybean market.

"Soybean is a strategically important crop for Bayer CropScience, and this acquisition is an important first step towards realizing a fully integrated soybean business. Hornbeck has a strong seed business and an excellent reputation in the marketplace, and the addition of this company to the Bayer CropScience team will allow us to serve soybean-farmers with complete solutions of seed, seed treatment, traits and crop protection solutions," said Sandra E. Peterson, Chairman of the Board of Management at Bayer CropScience. "We have already a very successful cotton, canola and vegetable seed business in the US, and we have initiated research to improve wheat breeding in the US as well. We will now further complement these activities by adding seeds for soybeans."

"We are excited to have the opportunity to join the Bayer CropScience organization for a host of reasons – not the least of which is the reputation and reach of the company, and its commitment to providing innovative solutions to growers throughout the southern region of the United States," said Troy Hornbeck, Chief Operations Officer, Hornbeck Seed. "By joining forces with Bayer CropScience, we can build on the Hornbeck tradition of offering innovative products, and look forward to providing an expanding array of high-quality products and to maintaining our strong relationships and long tradition of excellent customer service."

Key figures about soybeans:

- Soybean is the most important oilseed crop produced in the world.
- In 2009/2010, global soybean production totaled nearly 260 million metric tons, representing 58.9 percent of world oilseed production. 35 percent of those soybeans were produced in the United States.
- In the US, soybeans were planted on 31.3 million hectares (77.4 million acres) in 2010, primarily located in the Midwest and Southern United States.
- Today, the world's top producers of soy are the United States, Brazil, Argentina, China and India.

About Bayer CropScience

Bayer is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Bayer CropScience, a subgroup of Bayer AG with annual sales of EUR 6.830 billion (2010), is one of the world's leading innovative crop science companies in the areas of crop protection, non-agricultural pest control, seeds and traits. 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 20,700 and is represented in more than 120 countries. This and further news is available at: www.press.bayercropscience.com.

About Hornbeck Seed Company

Hornbeck Seed Company, Inc. is a family owned seed company based in DeWitt, Arkansas. Starting in 1981, Hornbeck Seed has grown in to one of the Mid-South's premier dealers of proprietary soybean products. For more information visit <http://www.hbkseed.com>

Bayer AG, Investor Relations contacts:

Dr. Alexander Rosar (+49-214-30-81013)

Dr. Juergen Beunink (+49-214-30-65742)

Peter Dahlhoff (+49-214-30-33022)

Judith Nestmann (+49-214-30-66836)

Dr. Olaf Weber (+49-214-30-33567)

Fabian Kligen (+49-214-30-35426)

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