

Investor News

A new high-potential biofuel crop

Archer Daniels Midland Company, Bayer CropScience and Daimler to cooperate in Jatropha biodiesel project

Leverkusen, January 9, 2008 – Archer Daniels Midland Company (ADM), Bayer CropScience AG and Daimler AG plan to jointly explore the potential for a biodiesel industry based on Jatropha (*Jatropha curcas L.*). A respective Memorandum of Understanding was signed by the companies. Jatropha, a tropical plant from the Euphorbia family, is seen by the three cooperating partners as a promising alternative energy feedstock for the production of biodiesel. Biodiesel derived from Jatropha nut kernels has properties similar to those of biofuels obtained from oilseed rapes. It is also characterized by a positive CO₂ balance and can thus contribute to protecting the climate.

In this project, the companies are seeking to develop production and quality standards for Jatropha-based biofuel. ADM is running several biodiesel refineries worldwide. Bayer CropScience plans to develop and register herbicides, soil insecticides and fungicides for disease and pest control of Jatropha plants. At the end of last year, Daimler AG completed a wide-ranging five-year research project which demonstrated that Jatropha can be used and cultivated to obtain high-quality biodiesel and studied the use of this fuel in test vehicles. The company will continue to explore the interactions between fuel and engine in vehicles powered by Jatropha biodiesel and mixtures of this and other fuels.

Dr. Peter Reimers, General Manager, European Oleo Chemicals at ADM said: "By diversifying the world's energy supplies, we increase global energy security and create for many nations the ability to produce fuel from local sources." Dr. Rüdiger Scheitza, Member of Board of Management of Bayer CropScience and Head of Global Portfolio Management, said: "Energy is a fundamental and indivisible human need. Sustainable production of Jatropha without impacting food production is not only an interesting option on marginal areas. It might be a further essential key in renewable energy strategies of the future." Prof. Dr. Herbert Kohler, Vice President Vehicle and Powertrain, Group Research and Advanced Engineering and Chief Environmental Officer of Daimler AG:

“Alternative fuels are an integral part of our roadmap towards sustainable mobility. Our research activities within the last years have proven for example, that Jatropha biodiesel can be produced with quality similar to biodiesel from oil seeds. Now, it is time to evaluate the commercial potential of Jatropha biodiesel.”

Jatropha – a promising energy feedstock

Jatropha is actually a “wild plant”, and therefore it has never been professionally cultivated. Recent studies show a potential of approximately 30 million hectares of land on which this plant could be grown, especially in South America, Africa and in Asian countries such as China, India or Indonesia. Since Jatropha can be cultivated on barren land, it does not compete for land that is being used for food production, and thus provides farmers with an additional source of income.

Jatropha originates from Central America, and was transported to Africa and Asia by Portuguese sailors on their voyages round the world. It is a hardy, drought tolerant plant and can be cultivated in tropical and sub-tropical regions, and even on degraded soil. It requires very little water or fertilizer. The plant is an excellent source of renewable energy because its seeds contain more than 30 percent oil. Furthermore, it is excellent for preventing soil erosion caused by water and/or wind. Jatropha can be maintained economically for 30 to 40 years.

Archer Daniels Midland Company (ADM) is the world leader in BioEnergy and has a premier position in the agricultural processing value chain. ADM is one of the world’s largest processors of soybeans, corn, wheat and cocoa. ADM is a leading manufacturer of biodiesel, ethanol, soybean oil and meal, corn sweeteners, flour and other value-added food and feed ingredients. Headquartered in Decatur, Illinois, ADM has over 27,000 employees, more than 240 processing plants and net sales for the fiscal year ended June 30, 2007 of \$44 billion. Additional information can be found on ADM’s Web site at <http://www.admworld.com>.

The Bayer Group is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Bayer CropScience AG, a subsidiary of Bayer AG with annual sales of about EUR 5.7 billion (2006), 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 17,900 and is represented in more than 120 countries. This and further news are available at: www.newsroom.bayercropscience.com.

Daimler can look back on a tradition that stretches back over more than a hundred years and is marked by the pioneering achievements of automotive engineering. Today, the company is a leading supplier of premium passenger cars as well as the world's largest manufacturer of commercial vehicles. With its strong brands and its comprehensive portfolio of automobiles from compact cars to heavy-duty engine trucks which are completed by tailor-made services along the automotive value chain, Daimler is active in nearly all countries in the world. With 271,486 employees, Daimler achieved revenues of € 47.2 billion in the first Half-Year 2007.

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