



The Chemical Company



Press Release

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BASF and Monsanto Announce R&D and Commercialization Collaboration Agreement in Plant Biotechnology

- Agreement aimed at developing higher-yielding crops that are more tolerant to adverse environmental conditions such as drought
- Potential \$1.5 billion/€1.2 billion devoted to joint pipeline over life of the collaboration
- First products to be commercialized in the first half of the next decade

LUDWIGSHAFEN, GERMANY and ST. LOUIS, MO, USA (March 21, 2007) – BASF (NYSE: BF) and Monsanto Company (NYSE: MON) today announced a long-term joint research and development (R&D) and commercialization collaboration in plant biotechnology that will focus on the development of high yielding crops and crops that are more tolerant to adverse environmental conditions such as drought. The collaboration is effective immediately.

Over the life of the collaboration, the two companies will dedicate a joint budget of potentially \$1.5 billion/€1.2 billion to fund a dedicated pipeline of yield and stress tolerance traits for corn, soybeans, cotton and canola. The joint pipeline will include the companies' existing and planned yield and stress tolerance programs and be comprised of projects generated by independent plant biotechnology discovery and research from each company. The first product developed as part of this collaboration is expected to be commercialized in the first half of the next decade.

“We are pleased to be able to work with BASF in order to enhance our ability to identify and commercialize new traits that have the potential to bring substantial value to farmers,” said Robb Fraley, Chief Technology Officer and Executive Vice President of Monsanto. “By broadening the pipeline of potential traits, exchanging technology and sharing risk, this collaboration can accelerate the discovery of next-generation technologies for the farm and effectively double the risk-adjusted net present value of Monsanto’s yield and stress trait technology pipeline.”

“We are excited about the collaboration with Monsanto, which is a strong partner with outstanding capabilities,” said Peter Oakley, Member of BASF’s Board of Executive Directors responsible for Agriculture, Health and Nutrition. “This is a great step forward in bringing to farmers higher-yielding crops that help them to meet the increasing demand in both the food as well as renewable resources segments.”

Under this collaboration:

- The companies will establish and collaboratively manage a dedicated pipeline that will focus on the development of crops with higher yields and crops that lead to consistent yields under adverse environmental conditions, such as drought.
- Each company will additionally maintain independent trait discovery programs.
- From the various programs, each company will nominate specific candidate genes and the most promising candidates will be advanced for accelerated joint development and for commercialization in the Monsanto pipeline.
- The two companies expect to generate a greater number of viable research projects than they could have done on their own, accelerate the development of new products, and bring a greater number of traits to the market at a faster speed.
- The nominated projects will be jointly funded at a 50-50 cost sharing through each phase of development as the candidate gene works its way toward commercial status.
- Products that emerge from the joint development will be commercialized by Monsanto. The companies have agreed to share profits associated with commercialized products, with Monsanto receiving 60 percent of net profits and BASF receiving 40 percent of net profits.

Monsanto decided to collaborate with BASF because the company is excellently positioned to provide traits as a series of successive upgrades within a particular crop. For BASF, Monsanto’s track record of commercializing traits and breeding desirable germplasm ensures that BASF’s innovations quickly reach the widest base of farmers.

Additional collaboration agreed

In addition to today’s collaboration, the companies also announced that they have entered into a separate development and commercialization collaboration to research methods to control the soybean cyst nematode, a parasitic worm that can limit and destroy yields for soybean farmers.

Both collaborations will be performed by Monsanto and BASF Plant Science, the plant biotechnology company of BASF.

Additional Information

Presentations related to today’s announcement may be accessed by visiting Monsanto Company’s Web site at www.monsanto.com or BASF’s Web site at www.basf.com.

In conjunction with this announcement, BASF and Monsanto will hold a joint conference call for investors and media. The call is scheduled for 9 a.m. EDT (2 p.m. CET) today, Wednesday, March 21, 2007. Presentation slides and a simultaneous audio webcast of the conference call may be accessed by visiting the companies' web sites at www.monsanto.com and clicking on "Investor Information" or www.basf.de/share. Visitors may need to download Windows Media Player™ prior to listening to the webcast. Following the live broadcast, a replay of the webcast will be available on the Monsanto and the BASF web sites for three weeks.

About Monsanto

Monsanto is an agriculture company. The company is a leading provider of technology-based solutions and agricultural products that improve farm productivity and food quality. Monsanto is committed to investing in products that can make a difference for its farmer customers and the land they farm. The company uses plant breeding, plant biotechnology and other applications of modern science to support its commitment to agriculture and the farmers that feed, clothe and fuel our growing world. For more information on Monsanto, see www.monsanto.com.

About BASF Plant Science

BASF founded BASF Plant Science in 1998 as its own biotechnology company. BASF Plant Science coordinates a research and development platform in Europe and North America with about 700 employees working to optimize crops for the following sectors: more efficient agriculture, renewable raw materials for specialty products and healthier nutrition for humans and animals.

BASF Plant Science focuses on second- and third-generation plant biotechnology products and has a strong discovery platform for agronomically important traits. The company's program is based on several technology platforms with innovative discovery approaches currently not used by any other company. These include high-throughput phenotyping at CropDesign in Ghent, Belgium, and high-throughput metabolic profiling at Metanomics in Berlin.

To find out more about BASF Plant Science, please see www.basf.com/biotechnology.

About BASF

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas. As a reliable partner to virtually all industries, BASF's high-value products and intelligent system solutions help its customers to be more successful. BASF develops new technologies and uses them to meet the challenges of the future and open up additional market opportunities. It combines economic success with environmental protection and social responsibility, thus contributing to a better future. BASF has over 95,000 employees and posted sales of €52.6 billion/\$66.1 billion in 2006. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA), New York (BF) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.

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Forward-Looking Statements:**As it pertains to BASF:**

This press release contains forward-looking statements under the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates and projections of BASF management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results, performance or achievements of BASF to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in BASF's Form 20-F filed with the Securities and Exchange Commission. We do not assume any obligation to update the forward-looking statements contained in this presentation.

As it pertains to Monsanto:

Certain statements contained in this press release are forward-looking statements, such as statements concerning the company's future product performance, regulatory approvals, business and financial plans and other non-historical facts. These statements are based on current expectations and currently available information. However, since these statements are based on factors that involve risks and uncertainties, the company's actual performance and results may differ materially from those described or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, among others: the success of the companies' research and development activities; the costs of and the companies' abilities to access and enforce intellectual property needed for the collaboration; the costs and requirements of regulatory compliance and the speed with which approvals are received; public acceptance of biotechnology products; and other risks and factors detailed in the company's most recent periodic report to the SEC. Undue reliance should not be placed on these forward-looking statements, which are current only as of the date of this presentation. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results.