

January 5, 2012



# FIRST-QUARTER 2012 FINANCIAL RESULTS

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**FISCAL YEAR:**

*References to year, or to fiscal year, are on a fiscal year basis and refer to the 12-month period ending August 31.*

# Fiscal 2012 First-Quarter Financial Summary

	FIRST QUARTER		
	2012	2011	Change
<b>NET SALES</b>	<b>\$2,439M</b>	<b>\$1,836M</b>	<b>+33%</b>
<b>GROSS PROFIT</b>	<b>\$1,096M</b>	<b>\$824M</b>	<b>+33%</b>
Seeds & Genomics	<b>\$916M</b>	<b>\$679M</b>	<b>+35%</b>
Ag Productivity	<b>\$180M</b>	<b>\$145M</b>	<b>+24%</b>
<b>SG&amp;A EXPENSE</b>	<b>\$500M</b>	<b>\$450M</b>	<b>+11%</b>
<b>R&amp;D EXPENSE</b>	<b>\$351M</b>	<b>\$303M</b>	<b>+16%</b>
<b>NET INCOME</b> <small>ATTRIBUTABLE TO MONSANTO COMPANY</small>	<b>\$126M</b>	<b>\$9M</b>	<b>+\$117M</b>
<b>DILUTED EPS AS-REPORTED</b>	<b>\$0.23</b>	<b>\$0.02</b>	<b>+\$0.21</b>
<b>DILUTED EPS ONGOING BASIS</b>	<b>\$0.23</b>	<b>\$0.03</b>	<b>+\$0.20</b>
<b>FREE CASH FLOW<sup>1</sup></b>	<b>\$856M</b>	<b>\$500M</b>	<b>+\$356M</b>

1. Free Cash Flow is cash flow from operating and investing activities

# With Strong Q1 and Good U.S. Momentum, Monsanto Expects to Achieve Upper Half of Previous Ongoing EPS Guidance

## FY2012F UPDATED GUIDANCE

### P&L CATEGORIES

**SEEDS AND GENOMICS GROSS PROFIT:** **\$5.7B-\$5.85B**

**AG PRODUCTIVITY GROSS PROFIT:** **~\$800M**

**SG&A:** **\$2.25B-\$2.35B**

**R&D:** **\$1.4B-\$1.45B**

**TAX RATE:** **30%-32%**

**UPDATED FISCAL 2012 ONGOING EPS:** **\$3.39-\$3.44**

### CASH FLOW CATEGORIES

**CAPITAL EXPENDITURES:** **\$600M-\$700M**

**DEPRECIATION AND AMORTIZATION:** **~\$600M**

**FREE CASH FLOW<sup>1</sup> :** **\$1,300M-\$1,500M**

## SEEDS AND GENOMICS GROSS PROFIT

CORN & SOYBEANS

- Build on established technology platforms in corn and soybeans in the U.S.; Strong farmer interest in high value Monsanto germplasm expected to result in improved mix and volume growth
- Momentum expected to continue in corn seed-and-trait in Latin America attributed to trait upgrades and increased volume growth

COTTON

- Steady growth driven by germplasm mix improvement and second-generation trait penetration

VEGETABLES

- Business focuses on operational efficiency

## AG PRODUCTIVITY GROSS PROFIT

- Successful repositioning in FY2011 creates new level base in FY2012 creating a steady contributor to gross profit

## BELOW-THE-LINE FACTORS

**SG&A range of \$2.25B to \$2.35B**

- Core SG&A growing at inflationary rate

**R&D in the range of \$1.4B to \$1.45B**

- Investments made in the fourth-quarter of FY2011 translates to a lower historical growth rate in FY2012F R&D spend

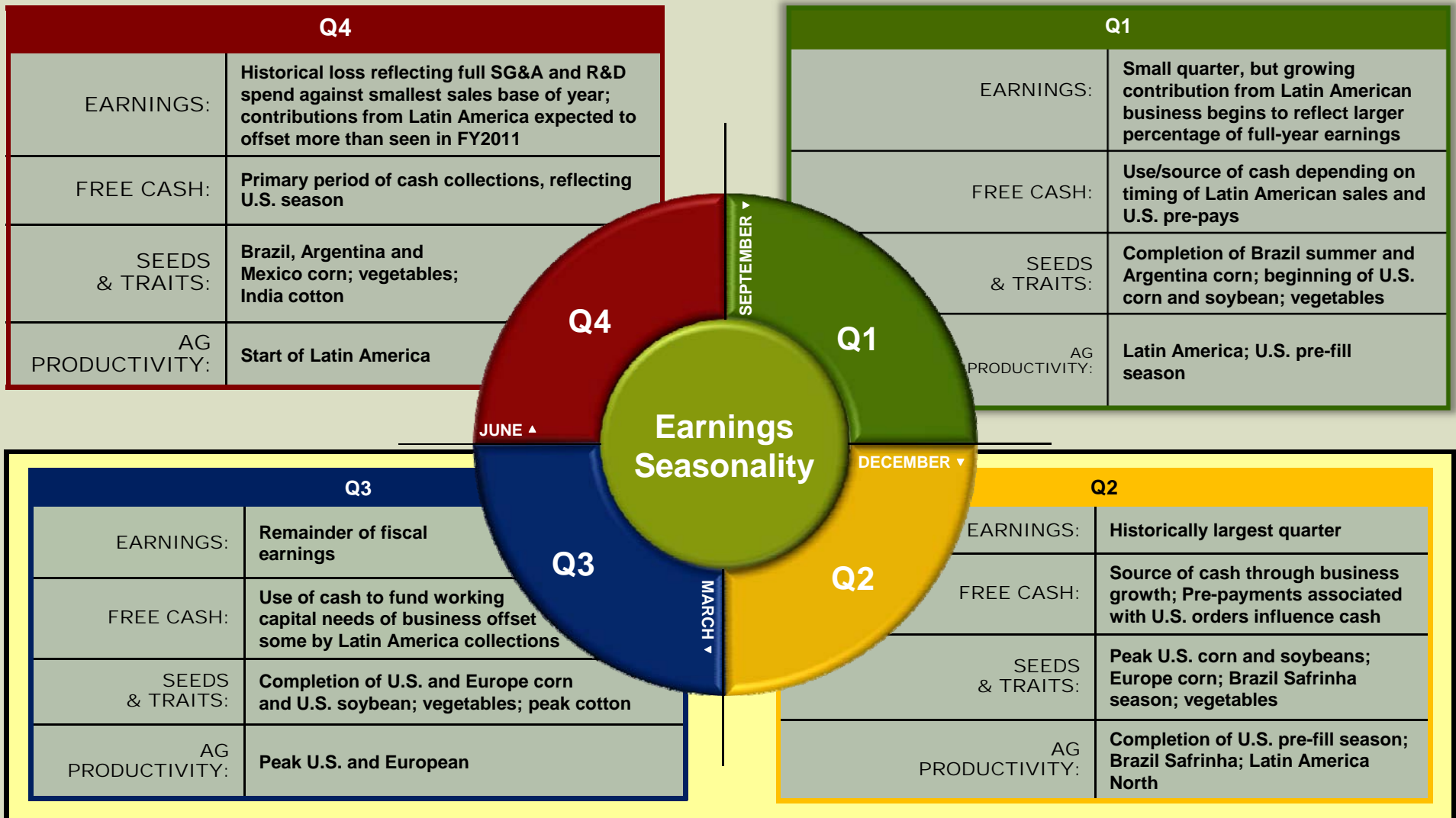
**Effective tax rate in the range of 30% to 32% range**

## FREE CASH FLOW<sup>1</sup>

- Driver of Free Cash Flow is net income growth in FY2012F

1. Free Cash Flow is cash flow from operating and investing activities

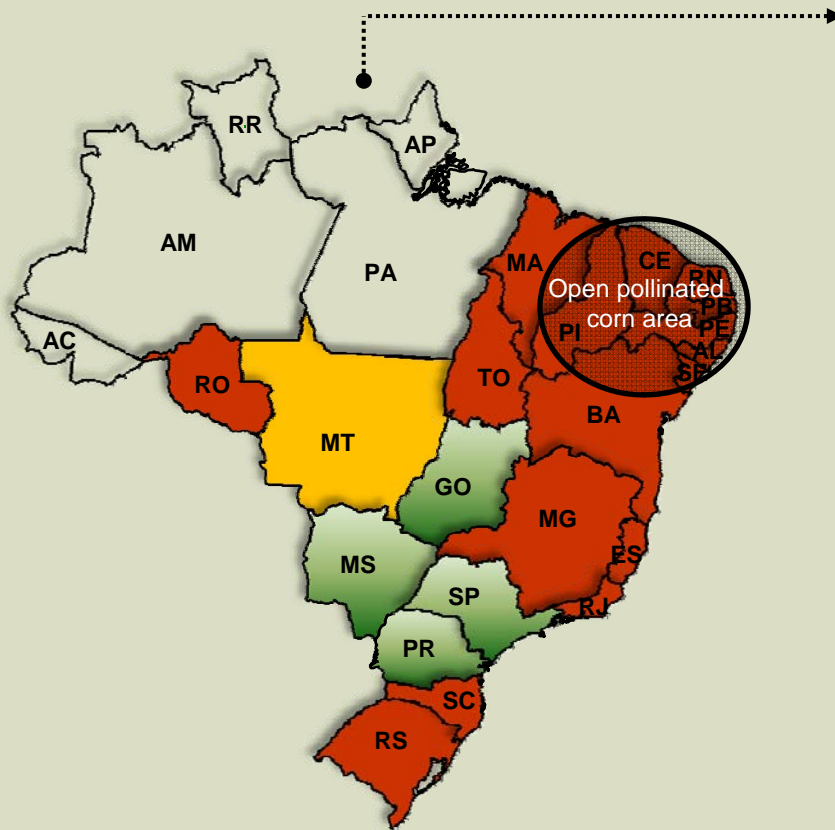
# Strong Growth in Latin America Punctuates Q1; Remaining Full-Year Growth Expected in Q2 and Q3 with U.S. Season



**FY2012 UPDATE:** Majority of earnings and remainder of earnings growth expected to be reflected in Q2 and Q3

# Brazil Is a Rapidly Evolving Biotech Opportunity, Accelerating Corn Growth Across Planting Seasons

## BRAZIL'S TWO COMPLEMENTARY SEASONS: SUMMER AND SAFRINHA ANNUAL CROPS



- SUMMER PLANTING AREA (MAY – NOVEMBER)
- SAFRINHA PLANTING AREA (DECEMBER – APRIL)
- SUMMER AND SAFRINHA OVERLAPPING PLANTING AREA

### UPDATE:

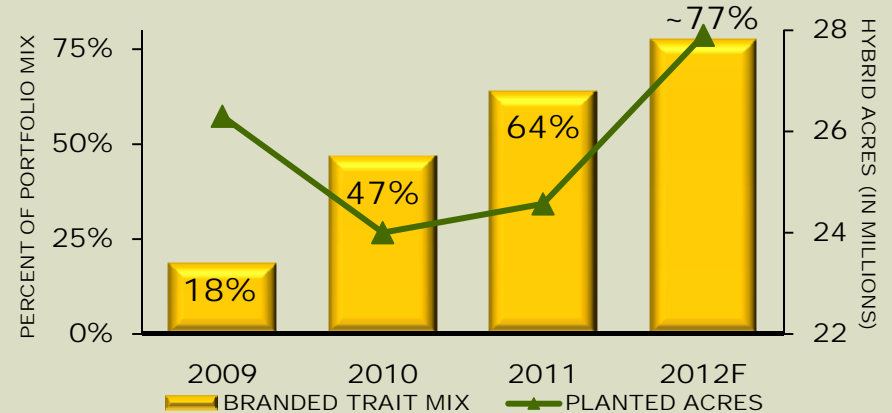
#### BRAZIL CORN MACRO DATA

2011 COMBINED SEASONS HYBRID PLANTED ACRES:	24.6M
AVERAGE HYBRID ACRES YIELD:	80-100 BU/AC

#### STATUS AND OUTLOOK

- Hybrid planted acres expected to increase by double-digit percent compared with prior year

### BRAZIL: PENETRATION OPPORTUNITY



#### GROWTH DRIVERS

- Because of the large branded footprint, trait adoption moves more rapidly than comparable period in the U.S.
- As first-generation acres upgrade to stacked second-generation traits, there is opportunity for margin enhancement

# With Large Share Relative to U.S., Argentina Corn Business Accelerating Mix Upgrade Through Trait Adoption

## LATIN AMERICA PORTFOLIO: SPOTLIGHT ARGENTINA



### UPDATE:

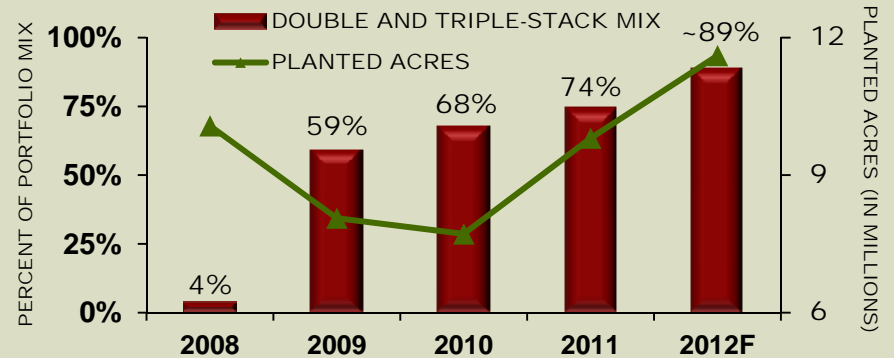
#### ARGENTINA CORN MACRO DATA

2011 PLANTED ACRES:	9.8M
AVERAGE YIELD:	120-130 BU/AC

#### STATUS AND OUTLOOK

- Current planted acres expected at high end of historical range, reflecting double-digit percentage increase compared with prior year

#### ARGENTINA: PENETRATION OPPORTUNITY

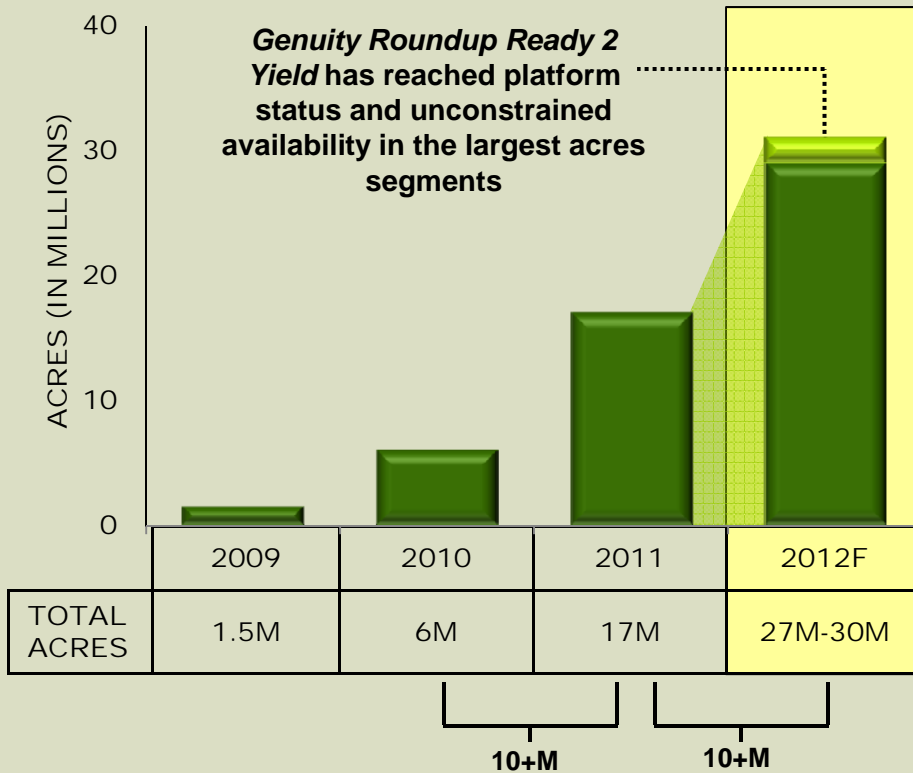


#### GROWTH DRIVERS

- ➔ With **5X** share footprint compared with U.S. branded share at the point of biotech introduction, trait penetration moves at a rapid pace
- ➔ With new traits, like *Genuity VT Triple PRO*, being introduced, the value is 20% to 30% higher than the Double which creates new opportunity on new and existing acres

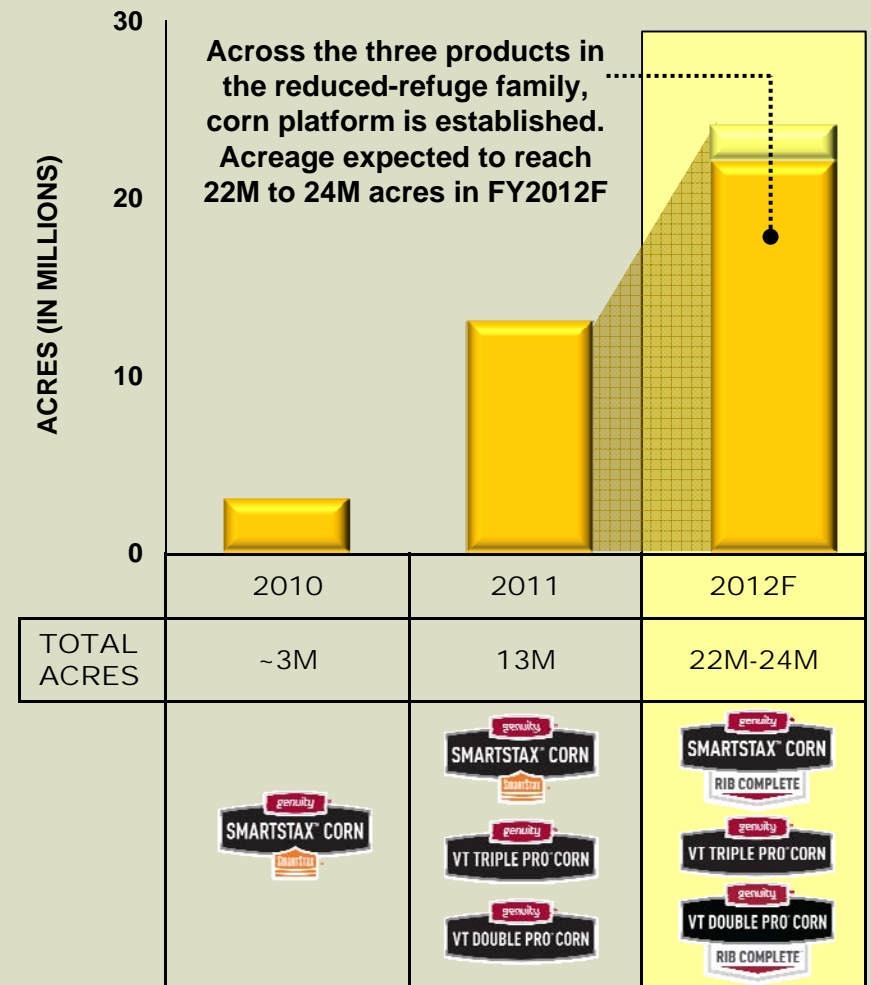
# Order Book Confirms U.S. Momentum, Underscores Confidence in Step Up of Key Corn and Soybean Platforms in 2012

## GENUITY ROUNDUP READY 2 YIELD SOYBEAN MIX UPGRADE: 2009-2012F



**10 plus million acre pace provides solid trajectory for continued expansion, and in FY2012F, Monsanto again expects a step up of more than 10M acres up to 27M-30M acres**

## REDUCED-REFUGE FAMILY CORN MIX UPGRADE: 2010-2012F



# Reconciliation of Non-GAAP Financial Measures

## RECONCILIATION OF FREE CASH FLOW

\$ Millions	Fiscal Year 2012 Target	Fiscal Year 2011	First Quarter 2012	First Quarter 2011
Net Cash Provided by Operating Activities	\$2,200-\$2,500	\$2,814	\$1,110	\$624
Net Cash Required by Investing Activities	\$(900-1,000)	\$(975)	\$(254)	\$(124)
<b>Free Cash Flow</b>	<b>\$1,300-\$1,500</b>	<b>\$1,839</b>	<b>\$856</b>	<b>\$500</b>
Net Cash Required by Financing Activities	N/A	\$(864)	\$(340)	\$(340)
Cash Assumed From Initial Consolidations of Variable Interest Entities	N/A	\$77	--	\$77
Effect of Exchange Rate Changes on Cash and Cash Equivalents	N/A	\$35	\$(81)	\$10
<b>Net Increase in Cash and Cash Equivalents</b>	<b>N/A</b>	<b>\$1,087</b>	<b>\$435</b>	<b>\$247</b>

## RECONCILIATION OF ONGOING EPS

\$ Per share	Fiscal Year		Fiscal First Quarter	
	UPDATED 2012 Guidance	2011	2012	2011
Diluted Earnings per Share	\$3.39-\$3.44	\$2.96	\$0.23	\$0.02
Restructuring Charges, Net	--	--	--	\$0.01
<b>Diluted Earnings per Share from Ongoing Business</b>	<b>\$3.39-\$3.44</b>	<b>\$2.96</b>	<b>\$0.23</b>	<b>\$0.03</b>