

MONSANTO



FOURTH-QUARTER 2009 FINANCIAL RESULTS

October 7, 2009

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This presentation may use the non-GAAP financial measures of “free cash flow,” earnings per share (EPS) on an ongoing basis, Return on Capital (ROC), EBIT and EBITDA. We define free cash flow as the total of cash flows from operating activities and investing activities. A non-GAAP EPS financial measure, which we refer to as ongoing EPS, excludes certain after-tax items that we do not consider part of ongoing operations, which are identified in the reconciliation. ROC means net income (without the effect of certain items) exclusive of after-tax interest expenses, divided by the average of the beginning year and ending year net capital employed, as defined in the reconciliation. EBIT is defined as earnings (loss) before interest and taxes and EBITDA is defined as earnings (loss) before interest, taxes, depreciation and amortization, as defined in the reconciliation. Earnings (loss) is intended to mean net income (loss) as presented in the Statements of Consolidated Operations under GAAP. Our presentation of non-GAAP financial measures is intended to supplement investors’ understanding of our operating performance, not replace net income (loss), cash flows, financial position, or comprehensive income (loss), as determined in accordance with GAAP. Furthermore, these non-GAAP financial measures may not be comparable to similar measures used by other companies. The non-GAAP financial measures used in this presentation are reconciled to the most directly comparable financial measures calculated and presented in accordance with GAAP. With respect to the time period prior to Sept. 1, 2000, references to Monsanto in this presentation also refer to the agricultural business of Pharmacia.

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 2009 Fourth-Quarter and Full-Year Financial Summary

	Fourth Quarter 2009	Fourth Quarter 2008	Change	Full Year 2009	Full Year 2008	Change
NET SALES	\$1,879M	\$2,051M	(8)%	\$11,724M	\$11,365M	3%
GROSS PROFIT	\$857M	\$960M	(11)%	\$6,762M	\$6,177M	9%
GROSS MARGIN	46%	47%	(1) pt	58%	54%	4 pts
NET INCOME	\$(233)M	\$(172)M	(35)%	\$2,109	\$2,024M	4%
DILUTED EPS ON AS-REPORTED BASIS	\$(0.43)	\$(0.31)	(39)%	\$3.80	\$3.62	5%
DILUTED EPS ONGOING BASIS	\$0.02	\$(0.03)	N/M	\$4.41	\$3.64	21%
FREE CASH FLOW				\$1,513M	\$772M	\$741M




FY2009 Fourth-Quarter and Full Year Segment Gross Profit and Margin Results


	Fourth Quarter 2009	Fourth Quarter 2008	Change	Full Year 2009	Full Year 2008	Change
GROSS PROFIT:						
CORN SEED & TRAITS	161M	151M	7%	2,606M	2,174M	20%
SOYBEAN SEED & TRAITS	15M	76M	(80)%	871M	725M	20%
COTTON SEED & TRAITS	48M	61M	(23)%	344M	313M	10%
VEGETABLE SEEDS	108M	124M	(13)%	416M	394M	6%
ALL OTHER SEEDS & TRAITS	90M	97M	(7)%	267M	251M	6%
Total Seeds & Genomics	422M	509M	(17)%	4,504M	3,857M	17%
Roundup & Other Glyphosate-Based Herbicides	322M	417M	(23)%	1,836M	1,976M	(7)%
Total Ag Productivity	435M	451M	(3)%	2,258M	2,320M	(3)%
AS A PERCENT OF NET SALES:						
CORN SEED & TRAITS	42%	43%	(1) pts	63%	61%	2 pts
SOYBEAN SEED & TRAITS	19%	69%	(50) pts	60%	62%	(2) pts
COTTON SEED & TRAITS	91%	68%	23 pts	74%	70%	4 pts
VEGETABLE SEEDS	46%	56%	(10) pts	51%	53%	(2) pts
ALL OTHER SEEDS & TRAITS	60%	58%	2 pts	58%	55%	3 pts
Total Seeds & Genomics	47%	54%	(7) pts	62%	61%	1 pts
Roundup & Other Glyphosate-Based Herbicides	41%	45%	(4) pts	52%	48%	4 pts
Total Ag Productivity	45%	41%	4 pts	51%	46%	5 pts



Positive movement in metric

Negative movement in metric



Monsanto Hybrid Market Share Performance Mixed in 2009


U.S.		2008 SHARE	2009 SHARE
	<i>DEKALB</i>	25.5%	25.5%
	<i>American Seeds</i>	10.5%	10.5%
	<i>Asgrow</i>	20%	20.5%
	<i>American Seeds</i>	9%	8%
	<i>Deltapine</i>	41%	39%

EU27		2008 SHARE	2009 SHARE
	CORN	12%	13.5%

INDIA		2008 SHARE	2009 SHARE
	CORN	36%	37%
	COTTON	5%	5-6%

LA – NORTH ¹		2008 SHARE	2009 SHARE
	CORN	62%	58%

BRAZIL		2008 SHARE	2009 SHARE
	CORN	40%	41%
	COTTON	21%	17%

ARGENTINA		2008 SHARE	2009 SHARE
	CORN	46%	49%

Share for row crops provided reflects sales volume for Monsanto brands divided by total planted acres in respective geography.

Corn represents hybrid corn share in each respective market.

Source for *Deltapine* share in the U.S. USDA share estimates.

¹ Total hybrid acres constitute 33% of the planted acres

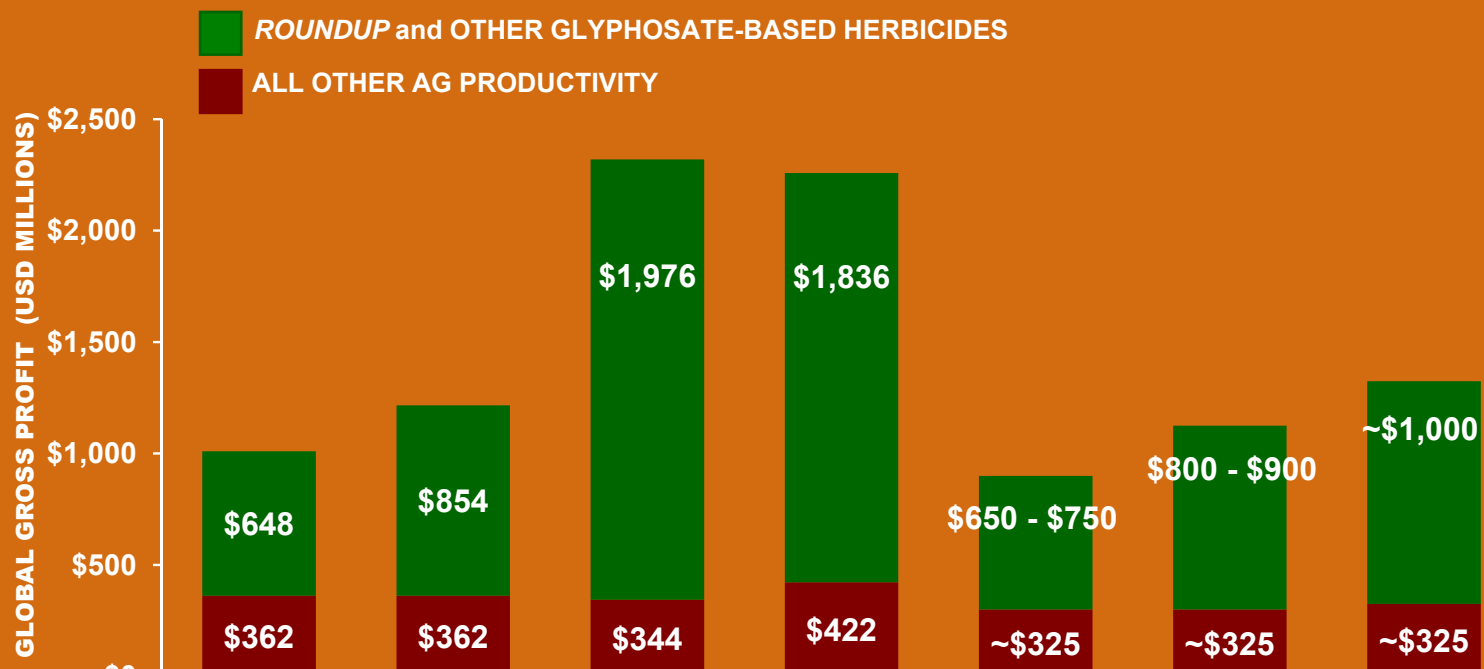
Roundup Gross Profit Contribution Expected To Bridge From \$650M in 2010 To \$1B in 2012

AG PRODUCTIVITY SEGMENT

KEY FINANCIAL METRIC TRENDS – 2006-2012F

2009 ROUNDUP

- ▶ Monsanto inventory at historical levels
- ▶ Competitive channel inventories 4x historical levels
- ▶ Unsustainable Roundup branded premium
- ▶ Margins peak at 51%
- ▶ Announced restructuring plan



	2006	2007	2008	2009	2010F	2011F	2012F
GLOBAL ROUNDUP & OTHER GLYPHOSATE-BASED HERBICIDES VOLUME (M EQUIVALENT GALLONS)	235	252	257	182	~250	~275	~300
BRANDED VOLUME MIX	50%	52%	58%	58%	60%	60%	60%
BRANDED ROUNDUP NET SELLING PRICE (PER GALLON)	\$11-\$13	>\$11-\$13	~\$20	>\$20	\$10 - \$12	\$11 - \$12	\$11- \$12

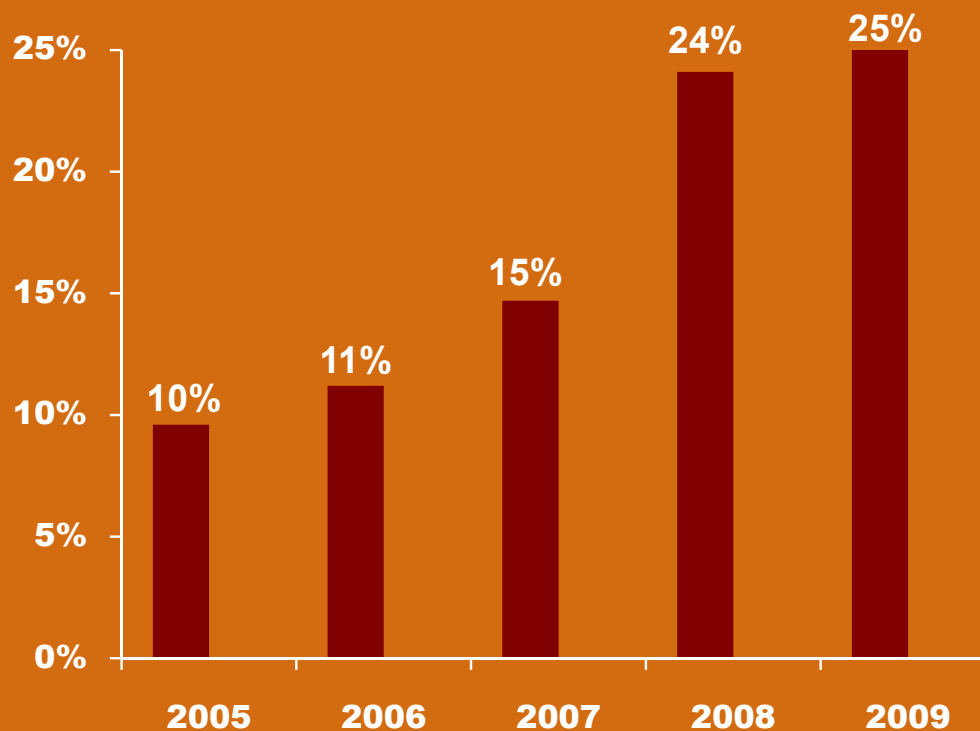
Return on Capital Expansion Builds on Earnings and Cash Contribution from Seeds and Traits

2009 SG&A and R&D

- ▶ SG&A as percent of sales of 17%, down nearly 300 basis points
- ▶ Expenses reduced by \$262 million from lower incentives, travel restrictions and other extraordinary cost measures
- ▶ R&D as percent of sales of 9% as we prepare to launch unprecedented number of new products

	FY2008	FY2009
CASH MANAGEMENT AND SPENDING		
FREE CASH FLOW	\$772M	\$1.5B
Operating Cash	\$2.8B	\$2.2B
Capital Expenditures	\$918M	\$916M
Share Repurchases	\$361M	\$398M

RETURN ON CAPITAL



Seeds and Traits Projected Gross Profit Growth of 13-15 Percent in 2010 Sets Path to 2012 Targets

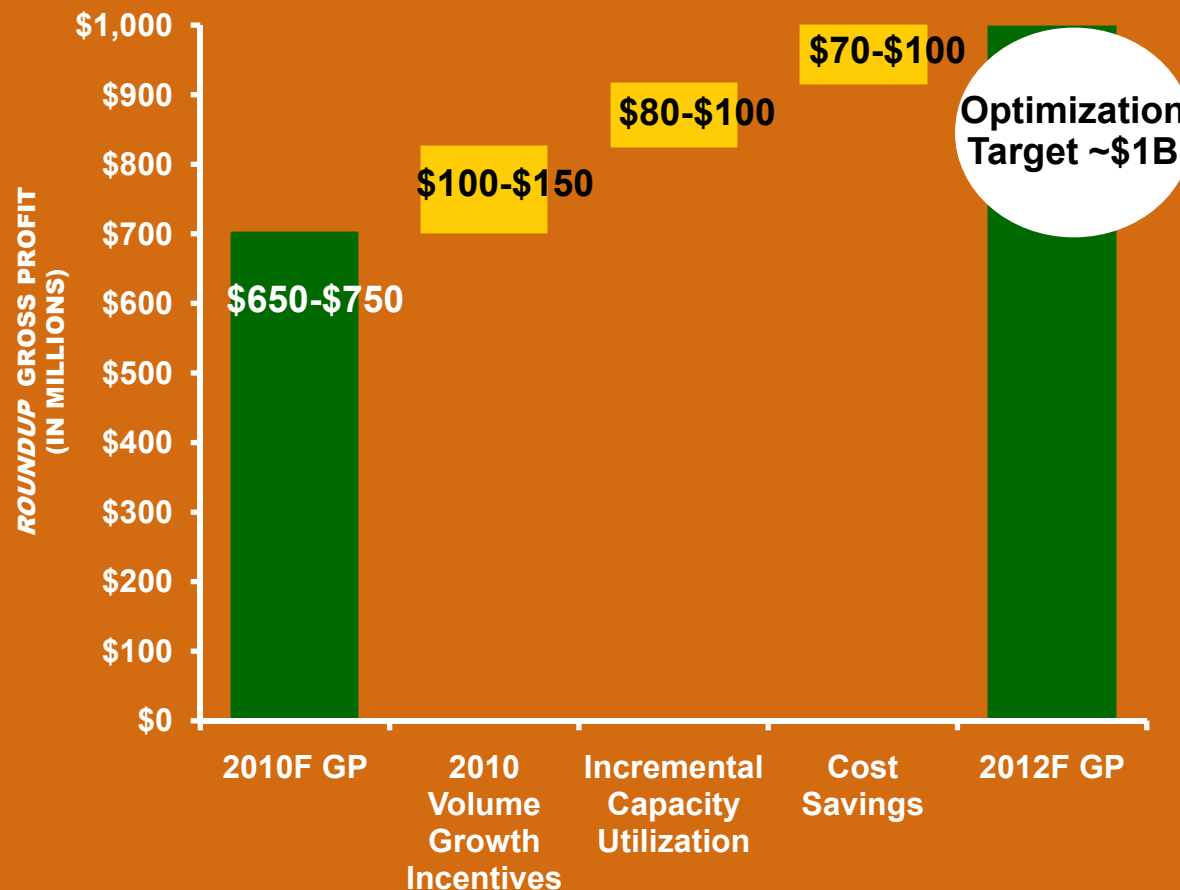
	FY2009	FY2010F
EARNINGS		
As-Reported Earnings per Share	\$3.80	\$2.85-\$3.11
Restructuring	\$0.52	\$0.19-\$0.25
ONGOING EARNINGS PER SHARE	\$4.41	\$3.10-\$3.30
Seeds & Genomics Gross Profit	\$4.5B	\$5.1-5.2B
Corn Seed & Traits Gross Profit	\$2.6B	\$3.1-3.2B
Soybean Seed & Traits Gross Profit	\$871M	~\$950M
Cotton Seed & Traits Gross Profit	\$344M	~\$375M
Vegetable Seeds Gross Profit	\$416M	~\$525M
All Other Seed & Traits Gross Profit	\$267M	~\$225M
<i>Roundup</i> and All Other Glyphosate-Based Herbicides Gross Profit	\$1.8B	\$650-750M
All Other Ag Productivity Gross Profit	\$422M	~\$325M
CASH MANAGEMENT AND SPENDING		
FREE CASH FLOW	\$1.5B	\$900M to \$1B
Operating Cash	\$2.2B	\$2.0-\$2.2B
Capital Expenditures	\$916M	\$750-\$850M
SG&A as a Percent of Sales (excluding 2009 restructuring expense)	17%	18.5-19.5%
R&D as a Percent of Sales (excluding 2009 acquired IPR&D)	9%	10.5-11.5%
Tax Rate	28.5%	30.0%

RESTRUCTURING

Restructuring expected to reduce future annual costs by \$220 to \$250 million, with 35% of the benefit realized in fiscal year 2010. The free cash guidance includes approximately \$250M after-tax cash effect from the restructuring.

Factors in Monsanto's Control – Volumes and Costs – Drive Ability To Meet 2012 Target For *Roundup*

Roundup Gross Profit Path to 2012



2010 *ROUNDUP* CHALLENGES

- ▶ Competitive channel inventories still expected to be 4x historical level of 10 percent of annual use
- ▶ Price gap between Monsanto's leading U.S. brand and primary competitive brands needs to close to more historical norms
- ▶ Monsanto added capacity not available until January 2010
- ▶ Targeted cost savings only partially realized in 2010

With Strong Yield Performance, *Genuity SmartStax* Maximizes Grower Return on Investment

SmartStax versus *DEKALB VT Triple* EXAMPLE ▼

Improved Whole Farm Yield Value

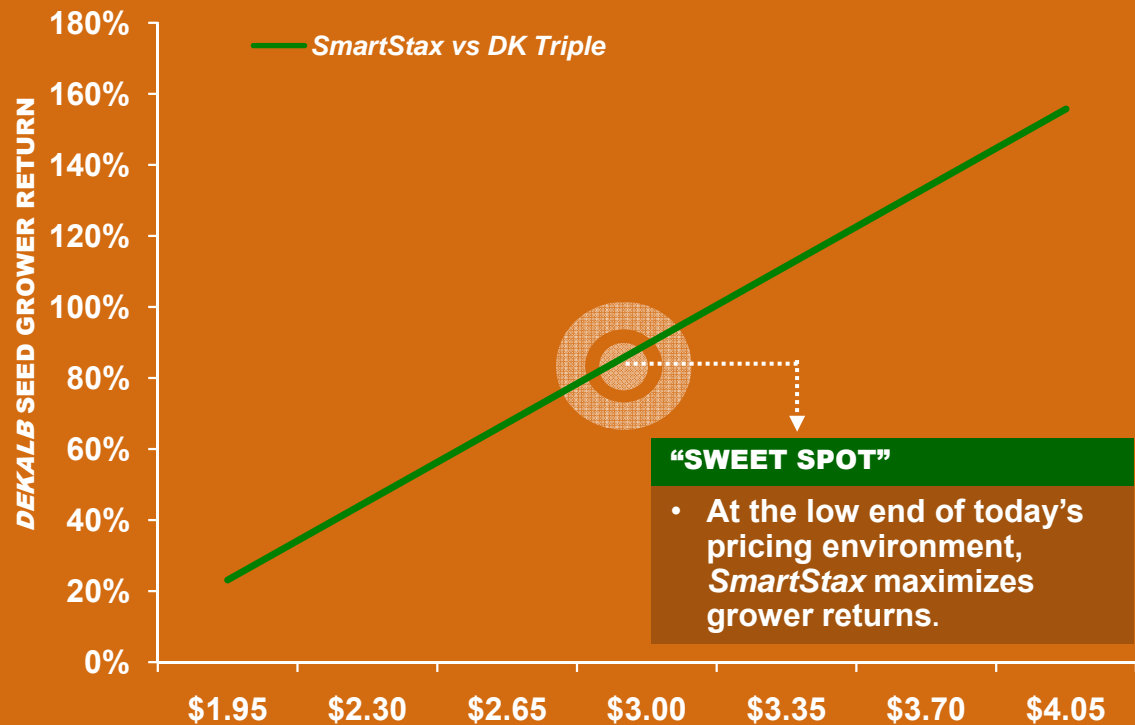
IMPROVED WHOLE FARM YIELD Assuming 160 bu/ac farm at mid-point of 5-to-10% whole farm yield improvement:		12 bu
CORN PRICE:		\$3.00/bu
①	TOTAL INCREMENTAL FARM VALUE:	\$36/ac

RETURN ON INVESTMENT ▼

Seed Investment

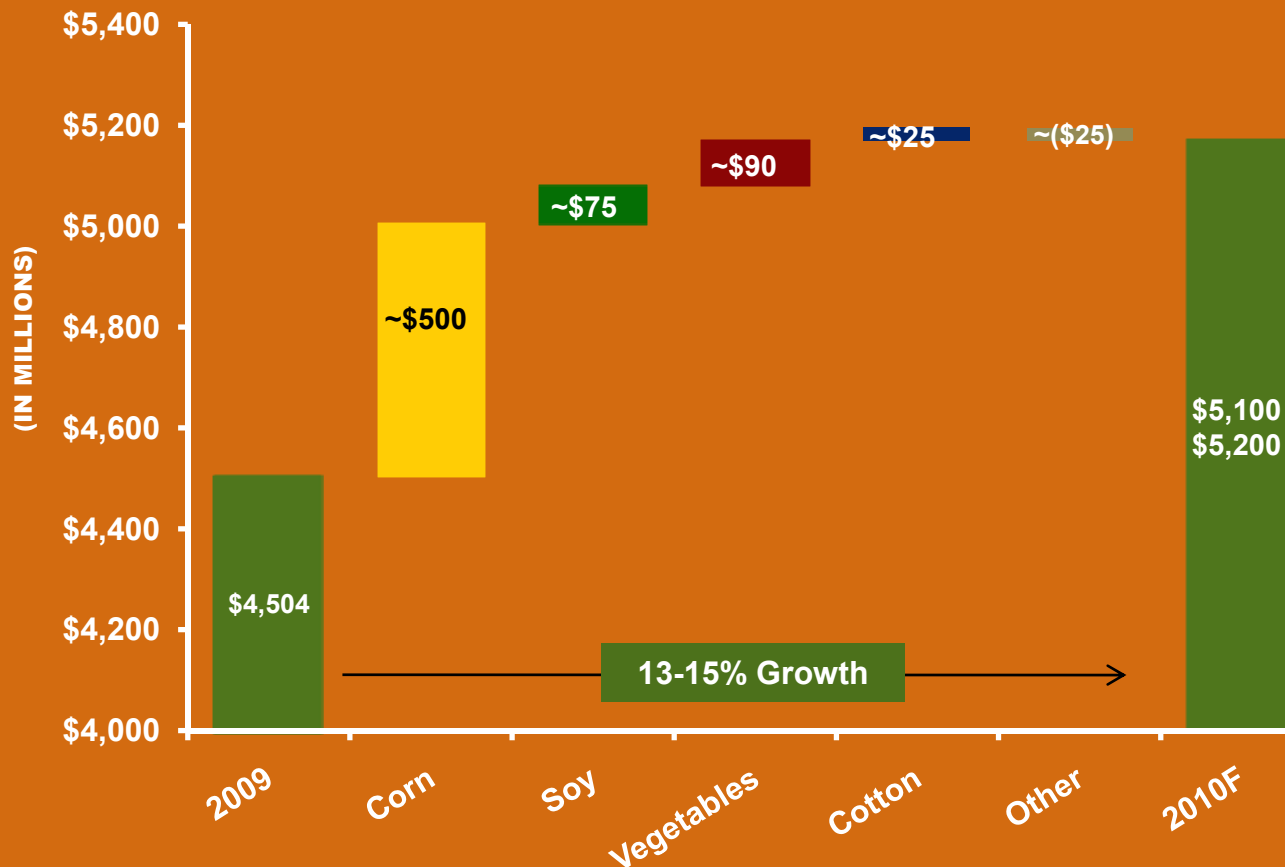
②	SMARTSTAX PREMIUM (\$/AC)	\$19/ac
Net Return on Investment per acre: (① - ②)		\$17/ac
Percent ROI: (① / ②) - 1		89%

SMARTSTAX RETURN ON SEED INVESTMENT



Grower Adoption and Execution Key to 2010 Targets

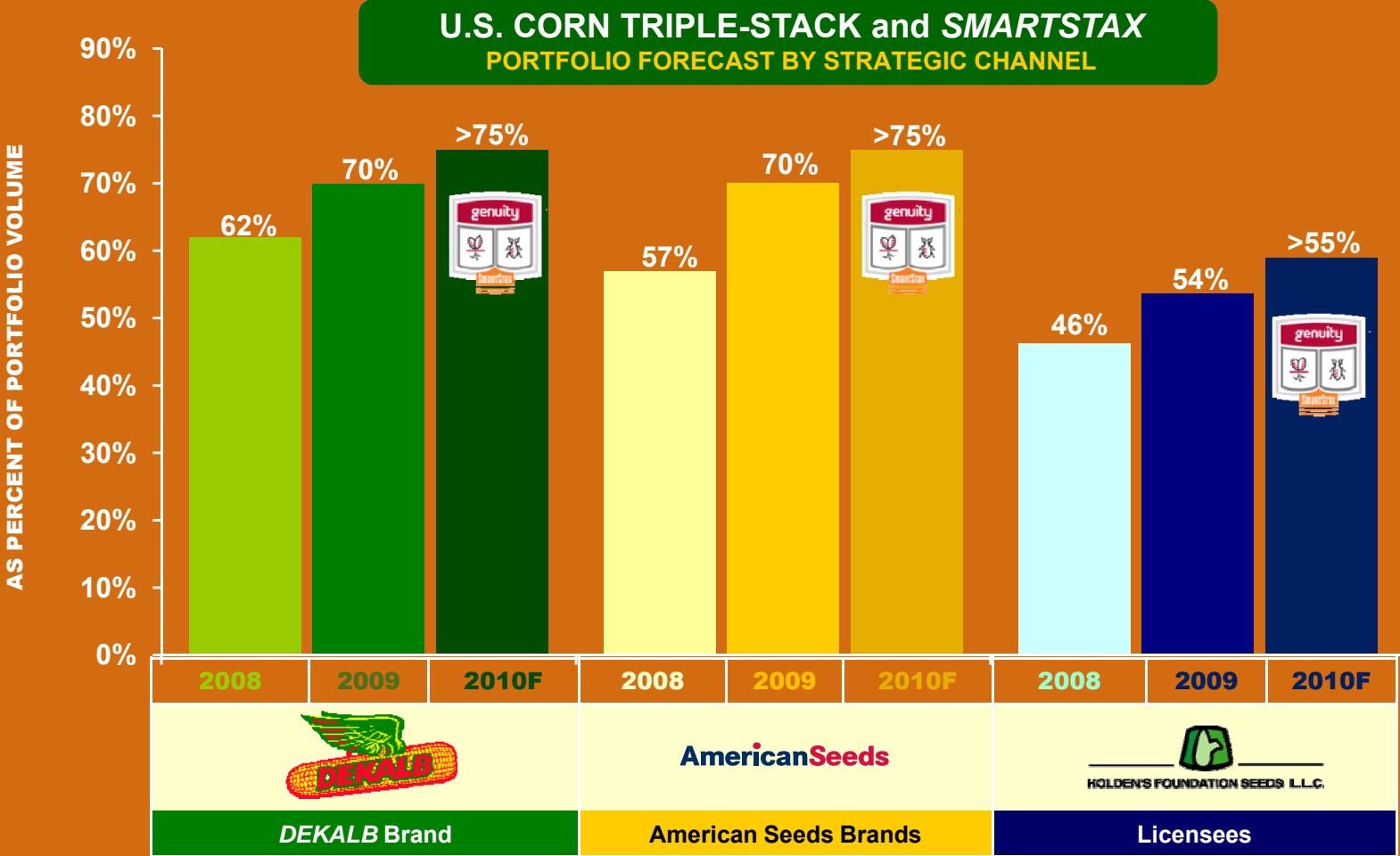
SEED AND GENOMICS GROSS PROFIT



2010 KEY DRIVERS

- 
 - *YieldGard VT Triple Stack* price to value
 - *SmartStax* launch: 3-4M acres with 5% refuge
 - Trait and germplasm penetration and upgrade in Latin America
 - Continue to grow footprint in key world areas and execute channel strategies
- 
 - *Roundup Ready 2Yield* launch: 7-8M acres
 - Increase *Roundup Ready* penetration in Brazil
 - Germplasm portfolio upgrades
- 
 - Protected culture growth and open field product focus
 - Complete *De Ruiter* integration
- 
 - Cotton germplasm upgrade to Classes of '09 and '10
 - Trait upgrades in U.S. and India
- Sunflower seed divestiture

Grower Adoption Regardless of Channel Preference Allows for Richer Mix



Restructuring Plan Expected To Reduce Costs Annually by \$220-to-\$250 Million in 2011

Restructuring Savings

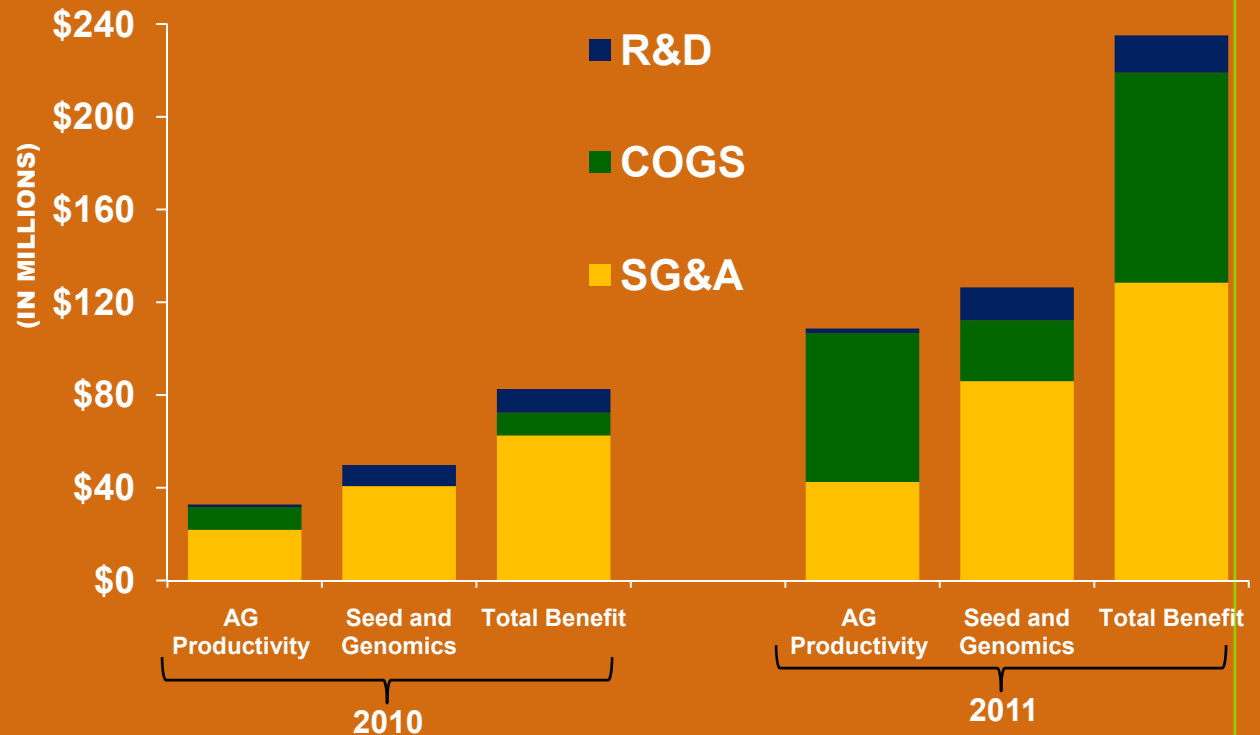
2010 ▼

- 35% of expected full savings
- SG&A accounts for ~75% of total savings
- Skews more towards Seeds and Genomics in first year, reflecting corporate overhead allocation

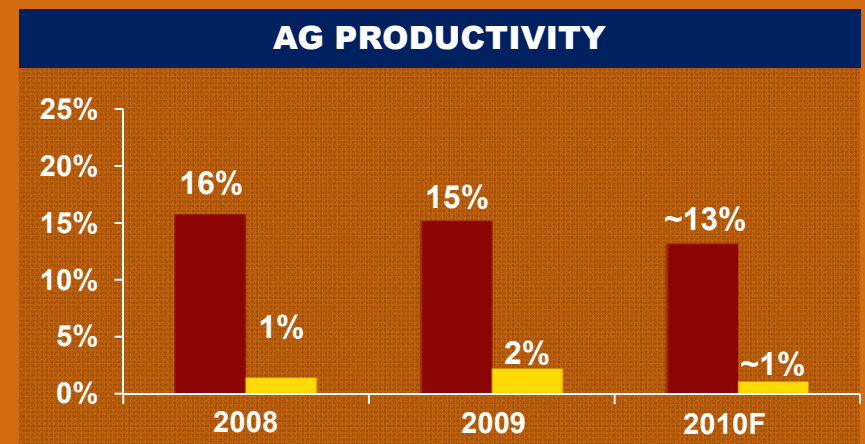
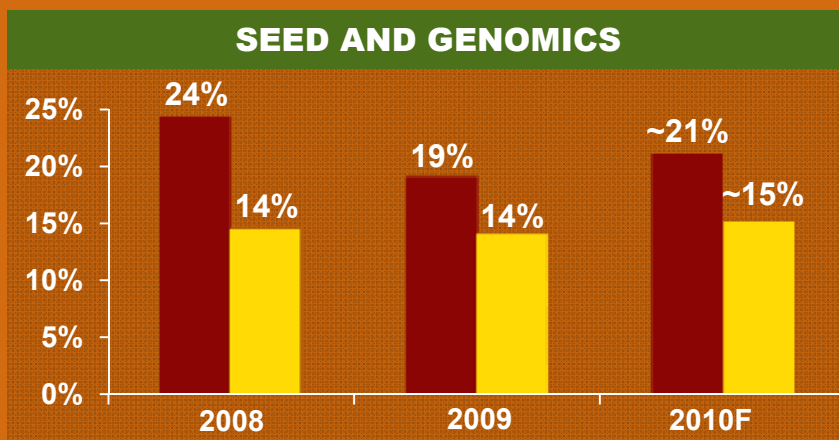
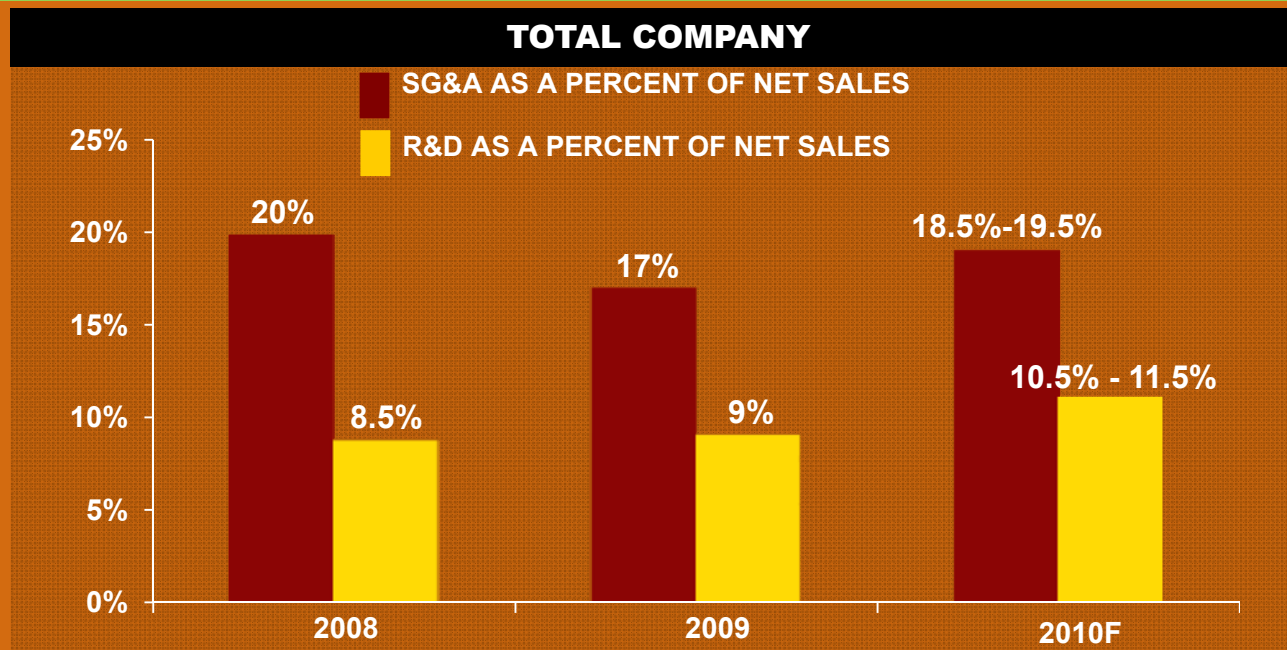
2011 ▼

- Full savings realized
- SG&A accounts for >50% of total savings
- COGS improvement represents nearly 60% of Ag Productivity savings

EXPECTED CASH SAVINGS FROM \$550M-\$600M RESTRUCTURING PLAN

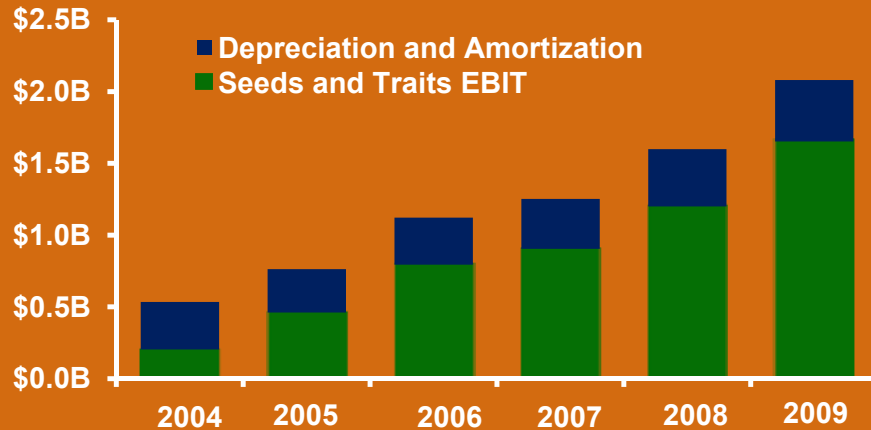


After Extraordinary Cost Savings in 2009, Expenses Are Leveraged Compared with 2008 Levels

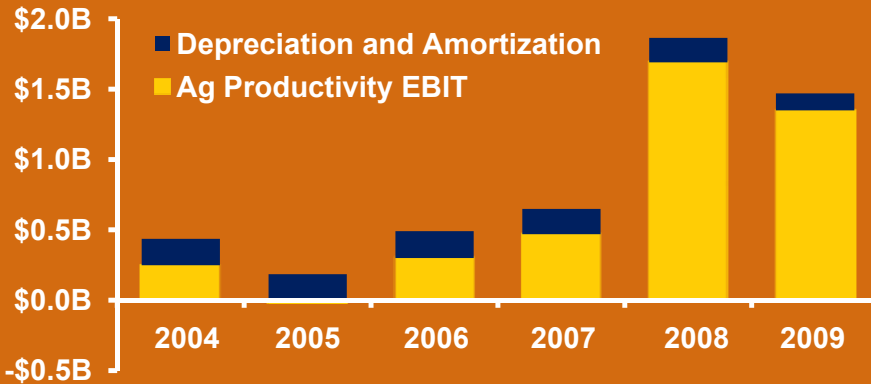


Monsanto Actively Re-Invests Free Cash Flow to Grow Seeds and Traits and Return Value to Shareowners

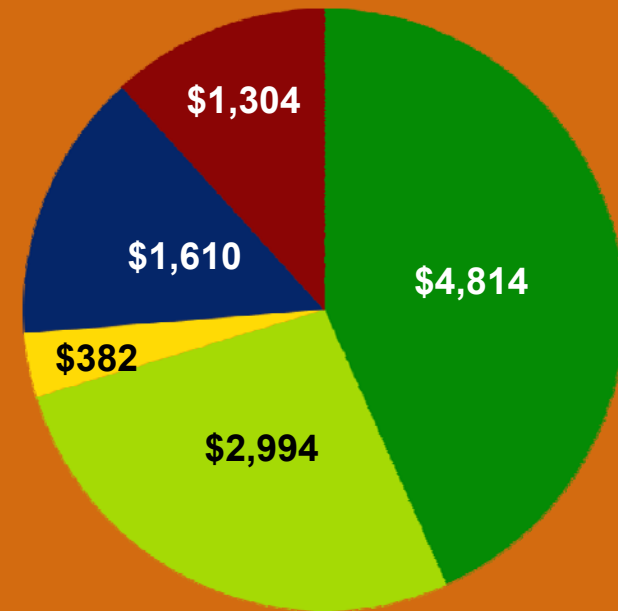
SEEDS AND GENOMICS EBITDA



AG PRODUCTIVITY EBITDA¹



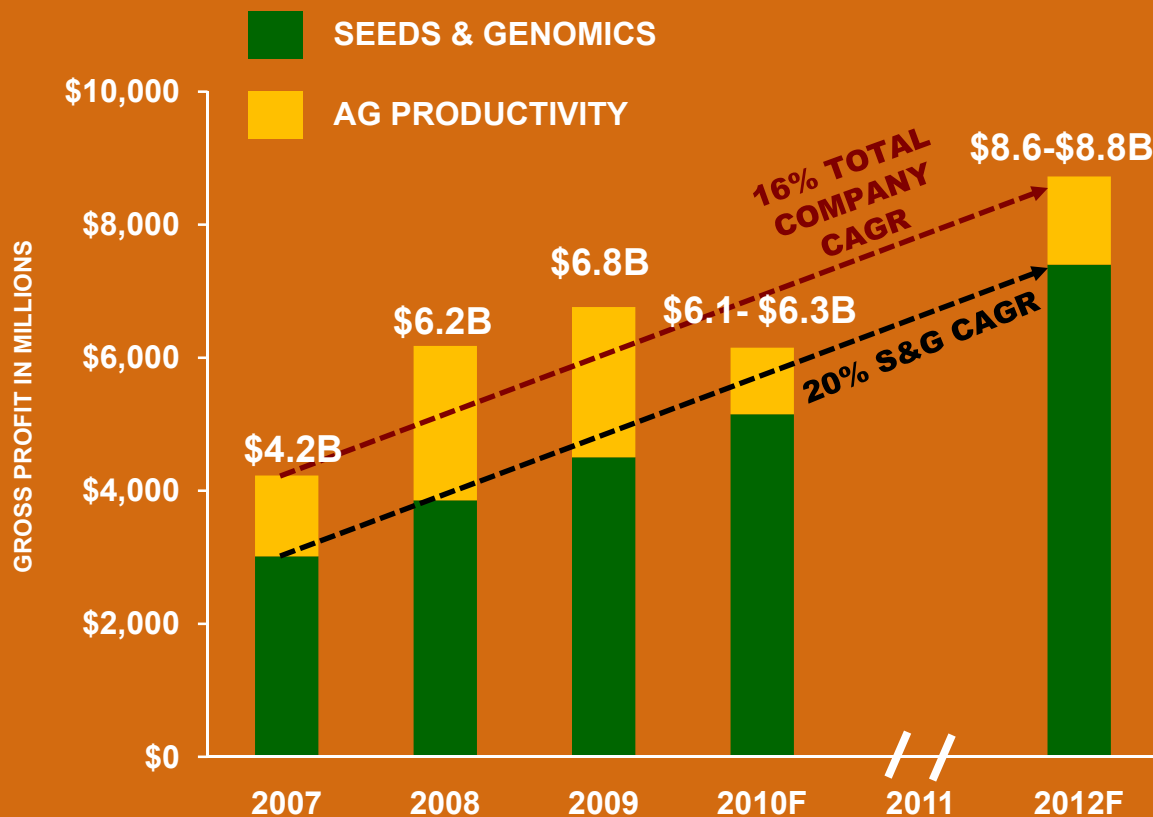
USES OF CASH (\$ Million) CUMULATIVE: 2005 – 2009 FISCAL YEARS



- ACQUISITIONS
- CAPITAL SPENDING
- TECHNOLOGY SPENDING
- DIVIDENDS
- SHARE REPURCHASES

¹Fiscal year 2005 EBIT includes a \$284 million Solutia-related charge and fiscal year 2008 EBIT includes a \$210 million benefit from Solutia, upon its emergence from bankruptcy.

Monsanto Remains on Track To More Than Double 2007 Gross Profit in 2012 With a 20 Percent CAGR In Seeds and Genomics



BASELINE

**\$3.10 -
\$3.30
ongoing EPS**

2010 – 2012 PLAYBOOK

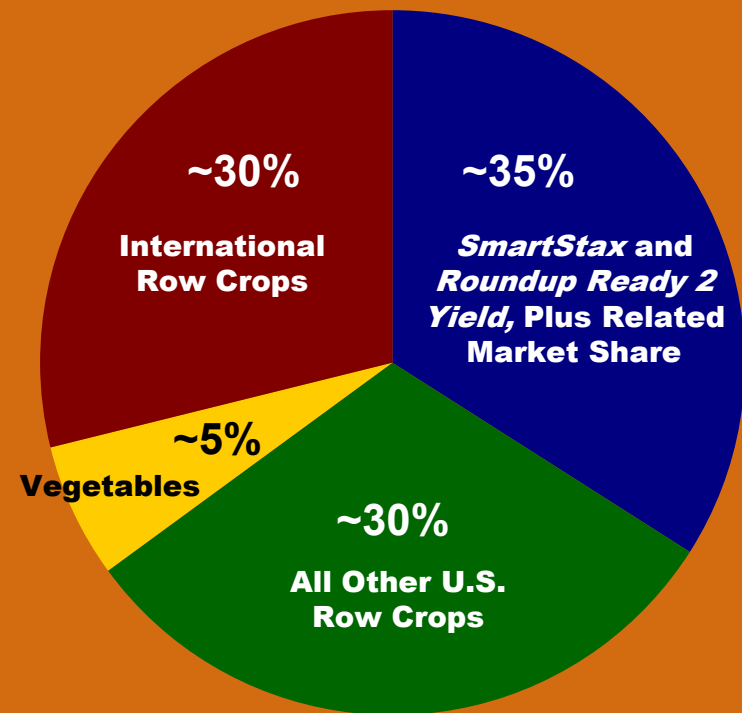
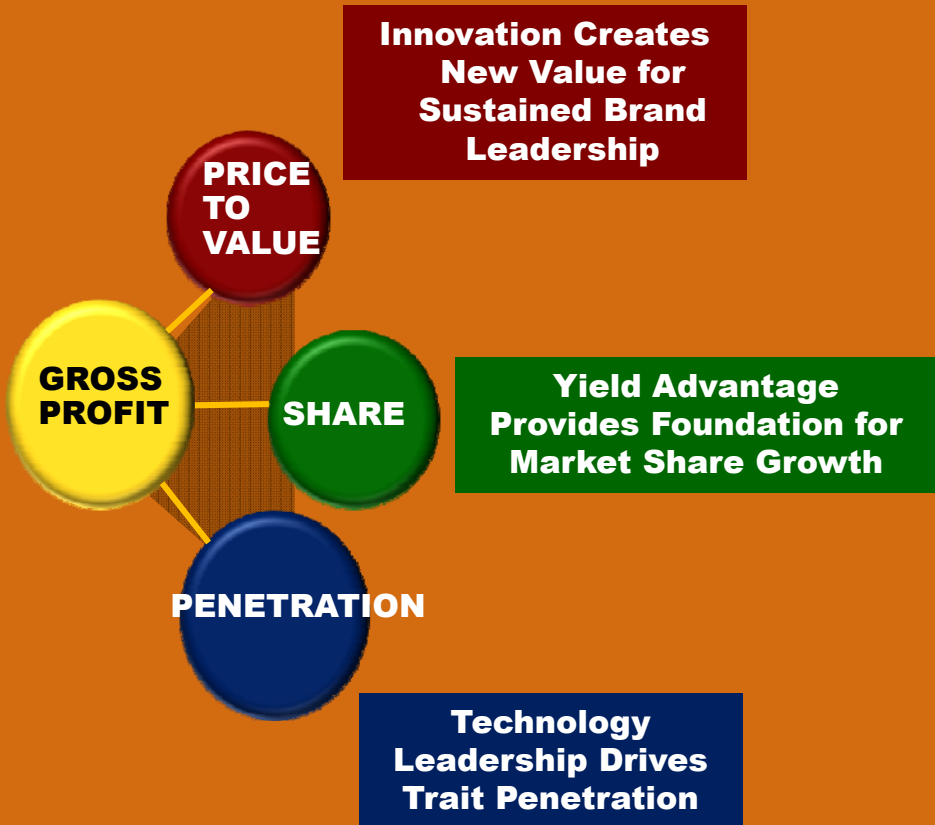
- ▶ *Reset Roundup* in 2010, optimizing to \$1B gross profit in 2012
- ▶ Grow Seeds and Genomics gross profit to \$7.3B-\$7.5B in 2012
- ▶ Fuel R&D pipeline
- ▶ Disciplined spending and cash flow management

DOUBLE 2007 GROSS PROFIT IN 2012

- ▶ Seeds and Genomics \$7.3-\$7.5B
- ▶ Ag Productivity ~\$1.3B

Monsanto's Strategy Built on Innovation that Optimizes Value, Market Share and Trait Penetration

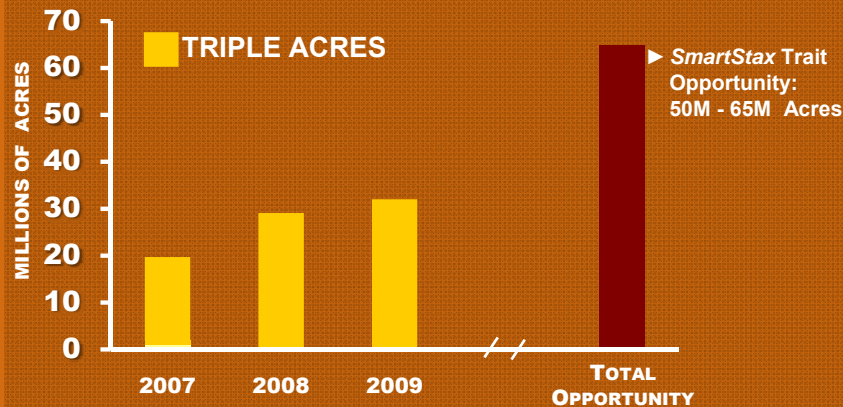
2009-2012F MONSANTO GLOBAL SEED AND GENOMICS GROSS PROFIT
GROWTH: \$2.8-\$3.0B



Grower Adoption of *Genuity Roundup Ready 2 Yield* and *Genuity SmartStax* Platforms Have Potential to Accelerate Growth

GENUITY SMARTSTAX

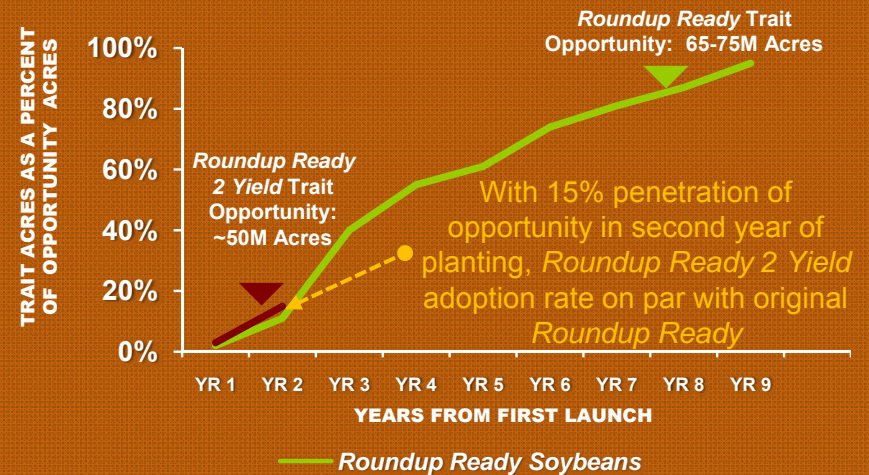
PENETRATION OF TRIPLE STACK/SMARTSTAX OPPORTUNITY



- ▶ FY2010 *SmartStax* expected to launch on 3-to-4 million acres
- ▶ Refuge reduction expands *SmartStax* opportunity to 50 to 65 million acres

GENUITY ROUNDUP READY 2 YIELD

PENETRATION OF ROUNDUP READY 2 YIELD VS. ROUNDUP READY



- ▶ FY2010 *Roundup Ready 2 Yield* broad acre launch targeting 7 to 8 million acres
- ▶ FY2012 *Roundup Ready 2 Yield* acre opportunity of approximately 50 million acres

Seeds & Traits Gross Profit Expected to Grow from 2009 to 2012 by More than One and a Half Times

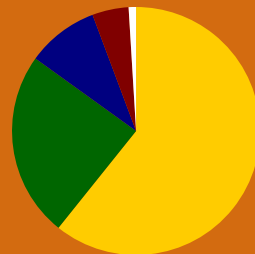
SEEDS AND GENOMICS GROSS PROFIT – U.S.

2007

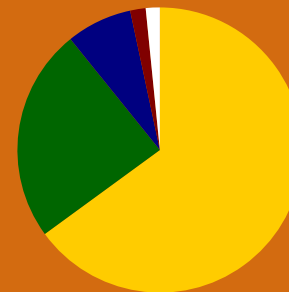
2009

2012F

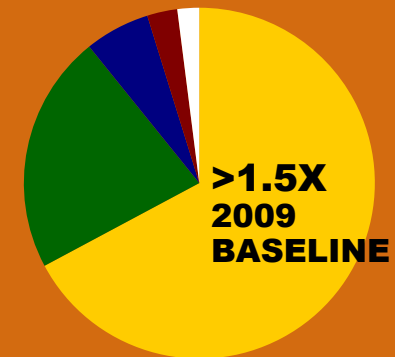
- Corn Seed & Traits
- Soybean Seed & Traits
- Cotton Seed & Traits
- Vegetable Seeds
- Other Seed & Traits



~\$2.1B



~\$3.0B



\$4.7-\$4.8B

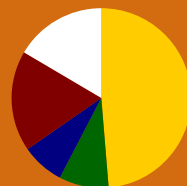
SEEDS AND GENOMICS GROSS PROFIT – INTERNATIONAL

2007

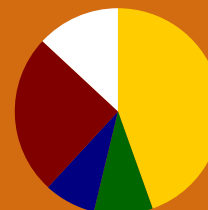
2009

2012F

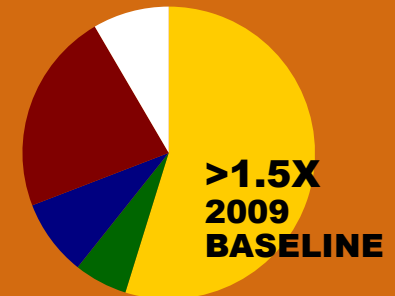
- Corn Seed & Traits
- Soybean Seed & Traits
- Cotton Seed & Traits
- Vegetable Seeds
- Other Seed & Traits



~\$900M



~\$1.5B



\$2.6-\$2.7B

By 2012, Brazil and Argentina Expected to be a Double Stack Corn Market with Increasing Grower Profitability

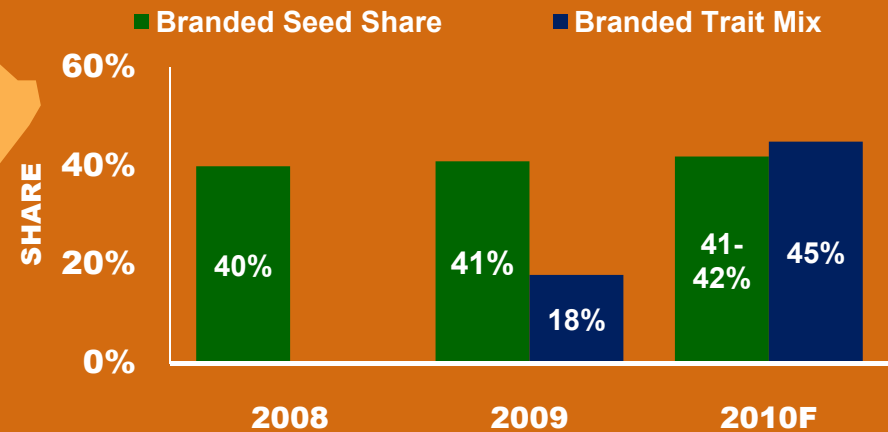
Brazil Status ▼

- ▶ Double-stack trait approval first step towards commercial launch
- ▶ Trait opportunity: 15-20M acres
- ▶ Expect >10% yield improvement versus conventional seed
- ▶ Large market footprint and *Yieldgard* corn borer penetration sets foundation for double stack launch

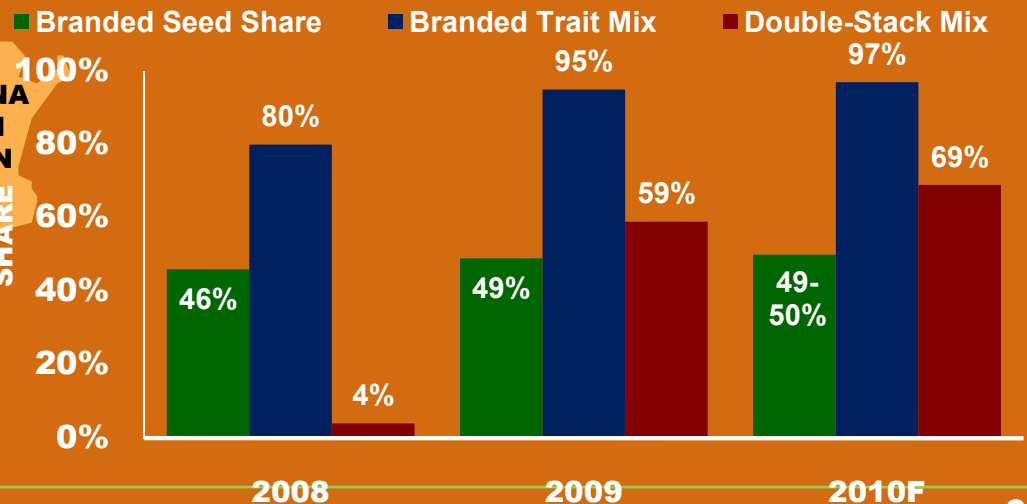
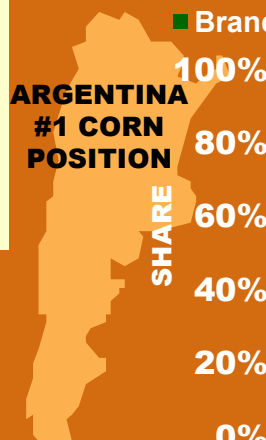
Argentina Status ▼

- ▶ Expect to increase double stack portfolio penetration
- ▶ Research shows strong grower intention to purchase double stack¹

LAUNCHED *YIELDGARD* CORN BORER ON 2 MILLION ACRES - EXPECT PENETRATION TO EXPAND TO 5 MILLION ACRES IN 2010



LAUNCHED *DEKALB* DOUBLE STACK CORN ON 2.4M ACRES IN 2009

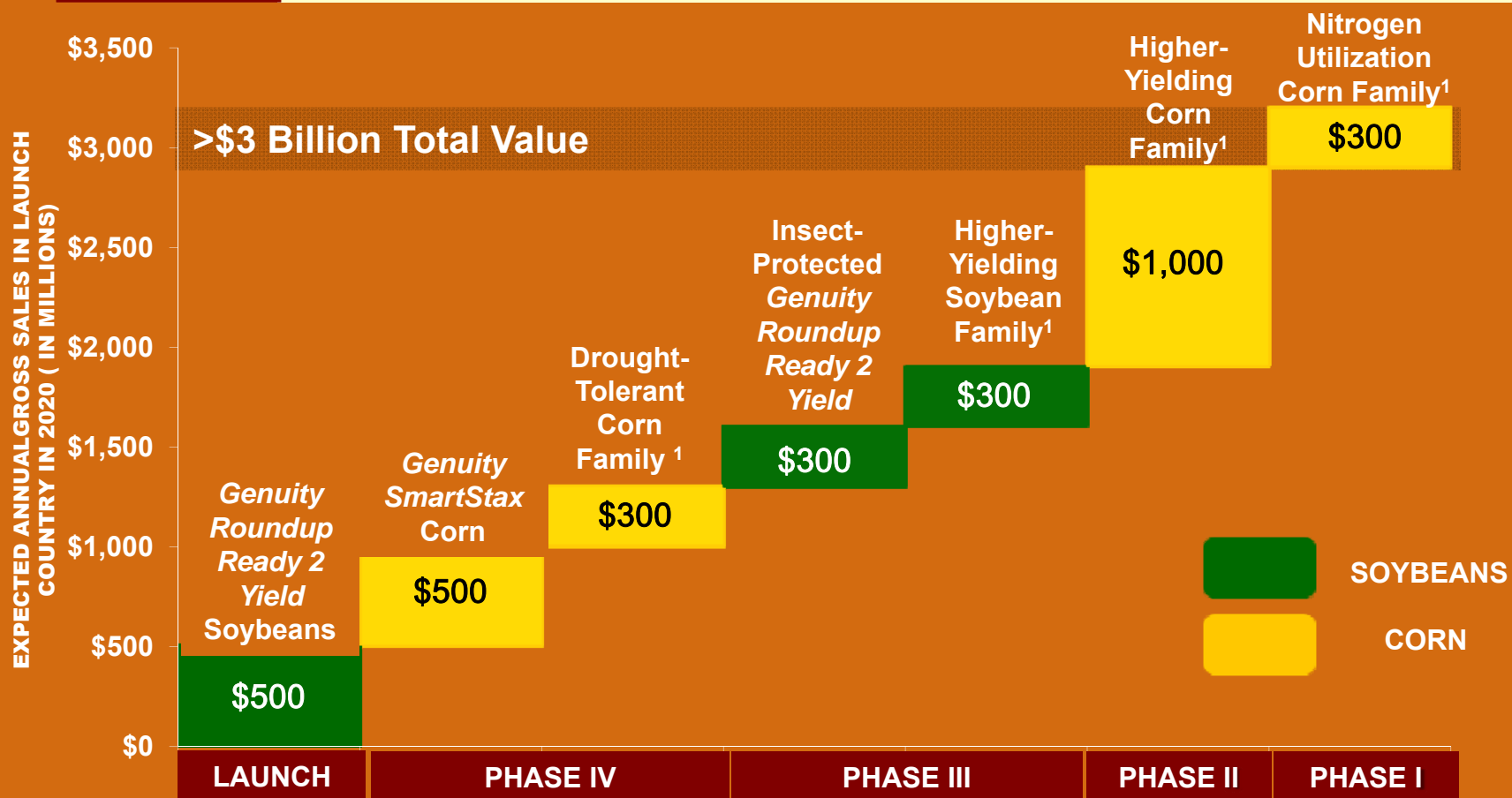


¹Kleffman Feb 09 Survey of 500 growers

Monsanto's Next Seven Years Holds Promise For Seven HIT Technologies, Unprecedented in Ag Biotech Space



High Impact Technologies include projects with more than 45M acres of market opportunity and \$300M or higher gross revenue potential in first country of launch by 2020



Note: R&D Phase placement is for the most advanced project in the family. Values noted represent the low end of the 2020 revenue opportunity in launch country.

¹ PART OF THE MONSANTO BASF YIELD AND STRESS R&D COLLABORATION

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF FREE CASH FLOW

\$ Millions	Fiscal Year 2010 Guidance	Fiscal Year 2009	Fiscal Year 2008
Net Cash Provided (Required) by Operations	\$2,000-\$2,200	\$2,239	\$2,799
Net Cash Provided (Required) by Investing Activities	(\$1,100-\$1,200)	(726)	(2,027)
Free Cash Flow	\$900-\$1,000	\$1,513	\$772
Net Cash Provided (Required) by Financing Activities	N/A	(1,065)	(102)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	N/A	(105)	77
Net Increase (Decrease) in Cash and Cash Equivalents	N/A	343	\$747

RECONCILIATION OF ONGOING EPS

\$ per share	Fiscal Year 2010 Guidance	Fiscal Year 2009	Fiscal Year 2008	Fourth Quarter 2009	Fourth Quarter 2008
Net Income (Loss) per Share	\$2.85-\$3.11	\$3.80	\$3.62	\$(0.43)	\$(0.31)
Cumulative Effect of Change in Accounting Principle	--	--	--	--	--
Diluted Earnings (Loss) per Share	\$2.85-\$3.11	\$3.80	\$3.62	\$(0.43)	\$(0.31)
Solutia Claim Settlement	--	--	(\$0.23)	--	--
Sunflower Divestiture	--	\$(0.08)	--	\$(0.08)	--
Restructuring Charges, Net	\$0.19-\$0.25	\$0.52	--	\$0.53	--
Loss (Income) on Discontinued Operations	--	(\$0.02)	(\$0.04)	--	\$(0.01)
In-Process R & D Write-Off Related to the De Ruiters Acquisition	--	--	\$0.29	--	\$0.29
In-Process R & D Write-Off Related to the Aly Participacoes Ltda. Acquisition	--	\$0.19	--	--	--
Diluted Earnings (Loss) per Share from Ongoing Business	\$3.10-\$3.30	\$4.41	\$3.64	\$0.02	\$(0.03)

FY2009 restructuring charges are allocated with \$361M to SG&A and \$45M to COGS.

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF EBIT AND EBITDA

\$ Millions	Fiscal Year					
	2009	2008	2007	2006	2005	2004
Seeds and Genomics Segment:						
EBIT	\$1,655	\$1,200	\$905	\$794	\$461	\$203
Depreciation and Amortization	428	399	347	328	302	333
EBITDA - Seeds and Genomics Segment	\$2,083	\$1,599	\$1,252	\$1,122	\$763	\$536
Agricultural Productivity Segment:						
EBIT	\$1,352	\$1,691	\$470	\$301	\$(26)	\$249
Depreciation and Amortization	120	174	180	191	186	188
EBITDA – Agricultural Productivity Segment	\$1,472	\$1,865	\$650	\$492	\$160	\$437
EBITDA – Total	\$3,555	\$3,464	\$1,902	\$1,614	\$923	\$973
Depreciation and Amortization	548	573	527	519	488	521
Interest (Income) Expense – Net	58	(22)	16	79	76	57
Income Tax Provision (A)	840	889	366	327	104	128
Net Income	\$2,109	\$2,024	\$993	\$689	\$255	\$267

(A) Includes the income tax provision from continuing operations, the income tax benefit on minority interest, the income tax provision (benefit) on discontinued operations and the income tax benefit on the cumulative effect of a change in accounting principle.

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF RETURN ON CAPITAL

Total Monsanto Company and Subsidiaries:	12 Months Ended Aug. 31, 2009	12 Months Ended Aug. 31, 2008	12 Months Ended Aug. 31, 2007	12 Months Ended Aug. 31, 2006	12 Months Ended Aug. 31, 2005
\$ Millions					
Operating Profit After-tax (excluding certain items)	\$2,479	\$2,157	\$1,106	\$767	\$612
Average Capital	9,890	8,967	7,532	6,833	6,404
Return on Capital	25.1%	24.1%	14.7%	11.2%	9.6%
Operating Profit After-tax (excluding certain items):					
Net Income	\$2,109	\$2,024	\$993	\$689	\$255
<i>Adjustment for certain items, after-tax:</i>					
In-Process R&D Write-off Related to the Aly Participacoes Ltda Acquisition	107				
In-Process R&D Write Related to the De Ruiters Acquisition		161			
In-Process R&D Write Related to the Delta and Pine Land Acquisition			186	--	--
In-Process R&D Write-Off Related to the Seminis and Stoneville Acquisitions			--	--	248
Sunflower Divestiture	(44)				
Solutia-Related Charge			--	--	175
Tax Benefit on Loss from European Wheat and Barley Business			--	--	(106)
Restructuring Charges (Reversals) – Net	290		--	(1)	6
Tax Charge on Repatriated Earnings			--	21	--
Cumulative Effect of Accounting Change			--	6	--
(Income) Loss on Discontinued Operations	(11)	(17)	(80)	3	(12)
Interest (income) Expense – Net of taxes	28	(11)	7	49	46
Operating Profit After-tax (excluding certain items)	\$2,479	\$2,157	\$1,106	\$767	\$612
	As of Aug. 31, 2009	As of Aug. 31, 2008	As of Aug. 31, 2007	As of Aug. 31, 2006	As of Aug. 31, 2005
Average Capital:					
Short-Term and Long-Term Debt	\$1,803	\$1,816	\$1,420	\$1,667	\$1,740
Shareowners' Equity	10,056	9,374	7,503	6,536	5,613
Cash and Cash Equivalents	(1,956)	(1,613)	(866)	(1,460)	(525)
Cash for Operations	150	150	150	125	125
Total Capital	10,053	9,727	8,207	6,868	6,953
Prior Period Capital	9,727	8,207	6,857	6,797	5,854
Average Capital	9,890	8,967	\$7,532	\$6,833	\$6,404