

MONSANTO



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February 12, 2008

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Non-GAAP Financial Information

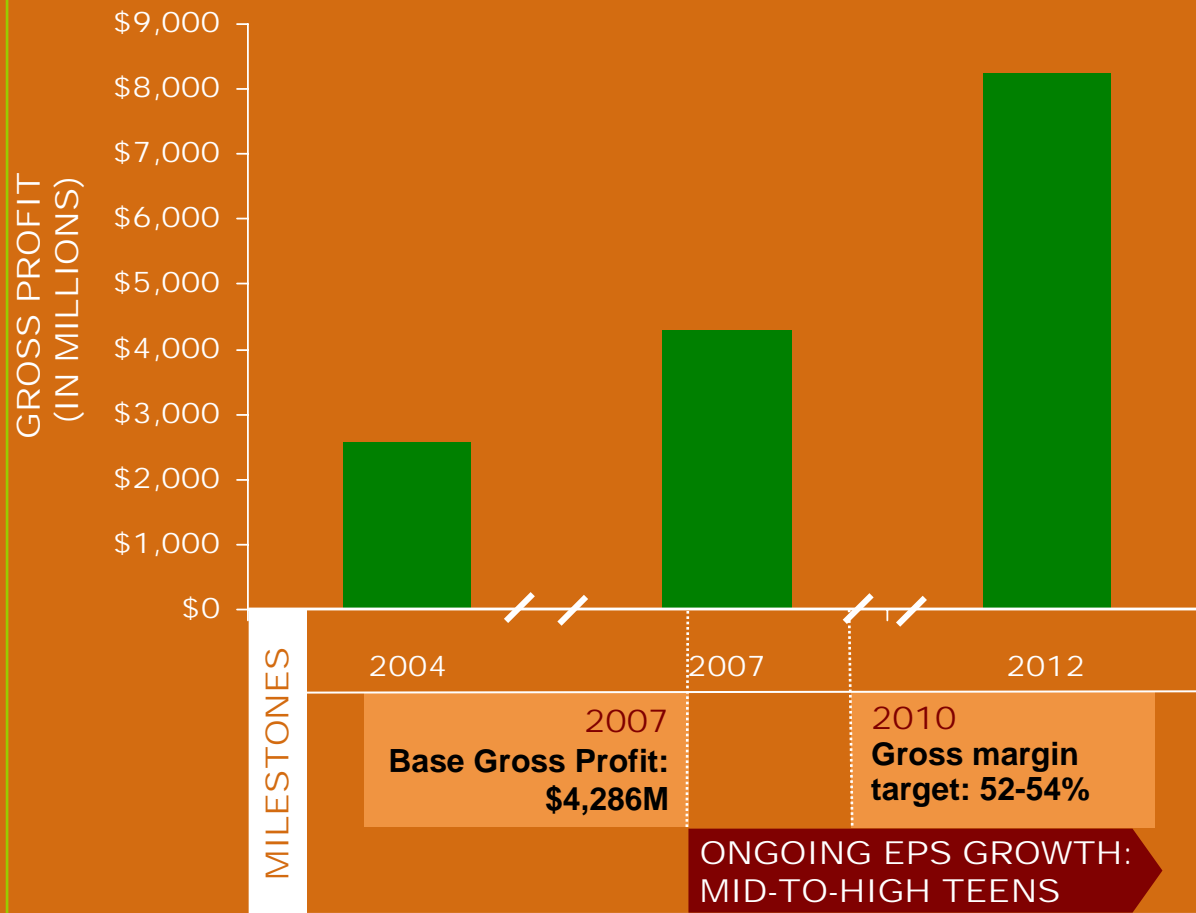
This presentation may use the non-GAAP financial measures of “free cash flow,” earnings per share (EPS) on an ongoing basis and Return on Capital (ROC). We define free cash flow as the total of cash flows from operating activities and investing activities. A non-GAAP EPS financial measure, which we refer 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. 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. Monsanto is unable to provide a reconciliation of the 2008 ROC goal to projected net income and financial position for 2008 without unreasonable effort. As shown in the ROC reconciliation for the previous year, the calculation of ROC is complex, and Monsanto does not have sufficient information at this point in the fiscal year to reasonably estimate its operating profit after-tax and average capital for 2008 due to market and other conditions that are outside of Monsanto’s control.

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.

Our Strategy Persists and Delivers; Ongoing Earnings Guidance to \$2.70-\$2.80 EPS for 2008 and On Track to 2012 Targets

MONSANTO GROSS PROFIT GROWTH TARGET



2012 GROWTH RANGE

Gross profit targeted to double from 2007 through 2012

STRATEGIC PLAYBOOK

All growth is organic, from base business and pipeline

- ① U.S. Corn
- ② International Corn
- ③ Soybeans
- ④ Cotton
- ⑤ Seminis
- ⑥ R&D Pipeline

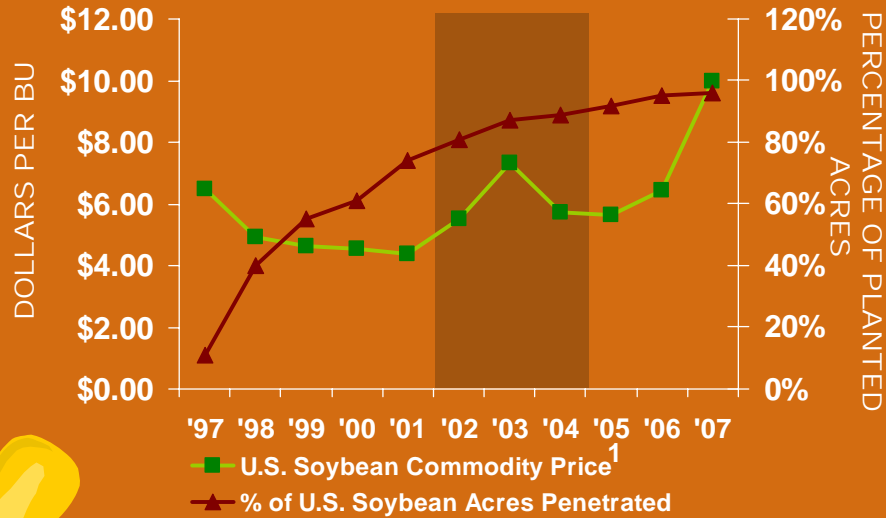
Ongoing EPS guidance of \$2.70-\$2.80 based on strong outlook for corn, soy and Roundup globally

Earnings continue to translate into operating cash, and value created for shareowners through combination of acquisitions, share repurchases and dividends

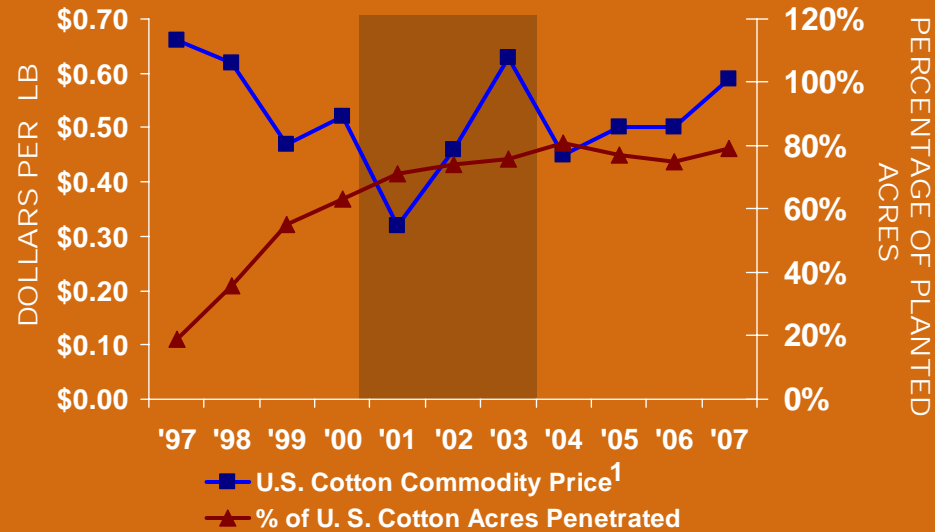
Seeds & Traits Strategy Prevails Through Peaks and Valleys of Commodity Cycles



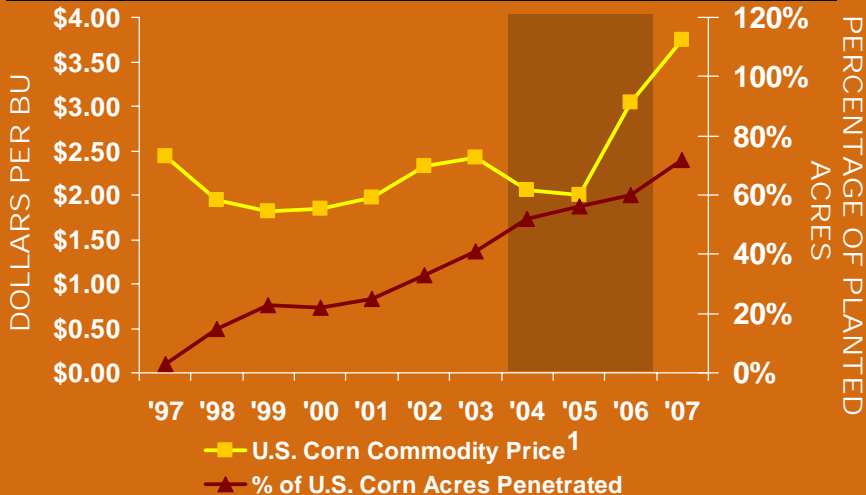
ROUNDUP READY SOYBEANS
ABSOLUTE TRAIT PENETRATION & COMMODITY PRICE



BOLLGARD (II) AND ROUNDUP READY (FLEX) COTTON
ABSOLUTE TRAIT PENETRATION & COMMODITY PRICE



YieldGard Corn Borer, YieldGard Rootworm, Roundup Ready
ABSOLUTE TRAIT PENETRATION & COMMODITY PRICE



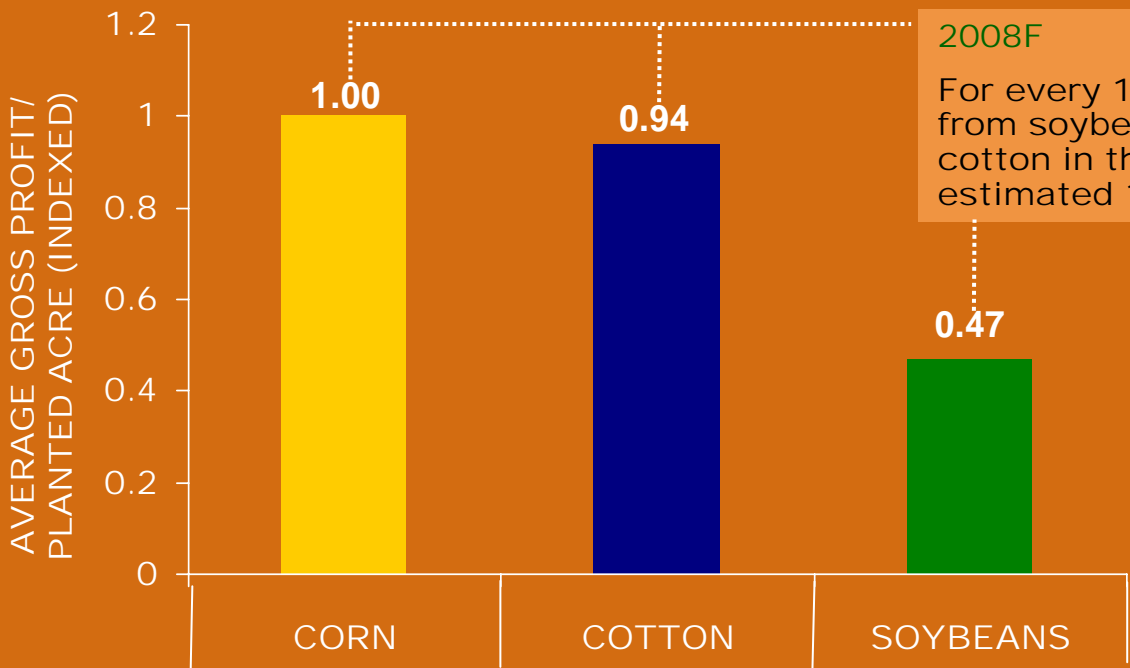
SEEDS & TRAITS GROWTH

KEY DRIVERS










1. Development and launch of biotech traits that bring breakthrough innovation to growers through a seed solution
2. Cutting-edge breeding technology that offers varieties and hybrids never before available with greater yield performance
3. Combination of best trait technologies in top-performing, elite seeds resulting from best-in-class trait integration

1. Source: USDA/NASS data; 2007 is Dec. price only

Innovation Delivered through Balanced Crop Portfolio Consistently Delivers Growth Despite Acreage Shifts



2008F
For every 1 million acres that shifts from soybeans to either corn or cotton in the U.S., on average, an estimated 1 cent of EPS is gained

	CORN	COTTON	SOYBEANS
BRANDED SEED	 AmericanSeeds INC.	 AmericanSeeds INC.	 AmericanSeeds INC.
U.S. Trait Intensity FY08 – All Channels	1.6	1.3	.97
CURRENT TRAITS	   		

At Mid-Year, Corn and Soybean Performance Globally Builds Platform for Delivering Five-Year Growth Plan

2012 GROWTH RANGE

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STRATEGIC PLAYBOOK

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- ⑥ R&D Pipeline

Acquisitions to be pursued, but are not included in this growth projection

Earnings continue to translate into operating cash, and value created for shareowners through combination of acquisitions, share repurchases and dividends

STRATEGIC PLAYBOOK

① U.S. Corn

KEY PRIORITIES

1. Grow U.S. seed footprint
2. Expand trait penetration and bridge to *SmartStax* 2010 launch

② International Corn

KEY PRIORITIES

1. Expand international seed footprint
2. Set the table for biotech trait ramp up outside of the U.S.

③ Soybeans

KEY PRIORITIES

1. Launch of *Roundup Ready 2 Yield* soybeans
2. Continue penetration of *Roundup Ready* soybeans in Brazil to create platform for insect-protected *Roundup Ready 2 Yield* soybeans
3. Launch enhanced modified oil traits
4. Continue to develop and launch pipeline traits with more stacked offerings

Orders and Shipments to Date Indicate *DEKALB* Could Gain Two-to-Three Share Points in U.S. Corn Seed



GEOGRAPHY: **U.S.**

OBJECTIVE: **Grow footprint**

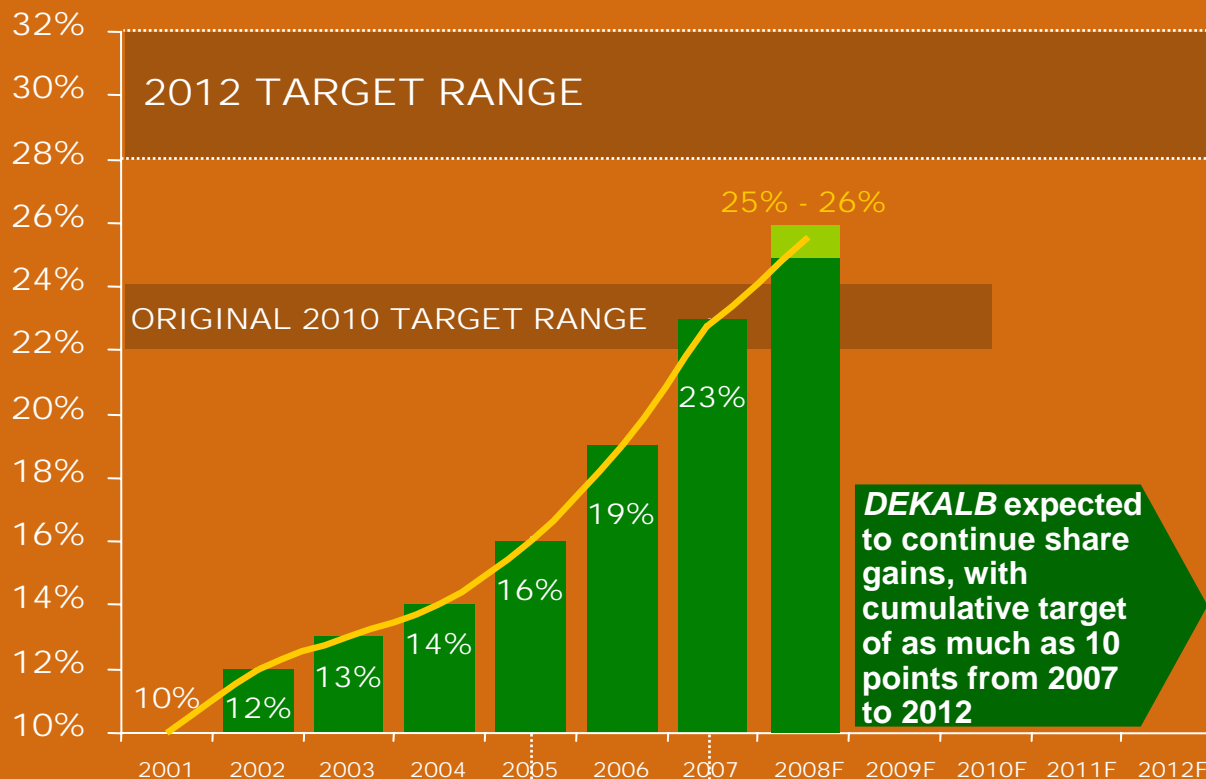
2008 STATUS ▼

- *DEKALB* expected to gain 2- 3 points in 2008 for total share of 25-to-26 percent in U.S. market

2012 OUTLOOK ▼

- Grow share through 2012 by up to 10 points cumulatively from 2007 share of 23 percent

DEKALB U.S. CORN SHARE EVOLUTION: 2001-2012F



DEKALB expected to continue share gains, with cumulative target of as much as 10 points from 2007 to 2012

2005
Monsanto projects 1-2 point share gains for *DEKALB* from 2005 through 2010

2007
DEKALB ends 2007 with 23% share, achieving 2010 target 3 years early

With Platform Established, ASI Expected to Gain Share Organically for Second Consecutive Season

AmericanSeeds INC.

GEOGRAPHY: **U.S.**

OBJECTIVE: **Grow footprint**

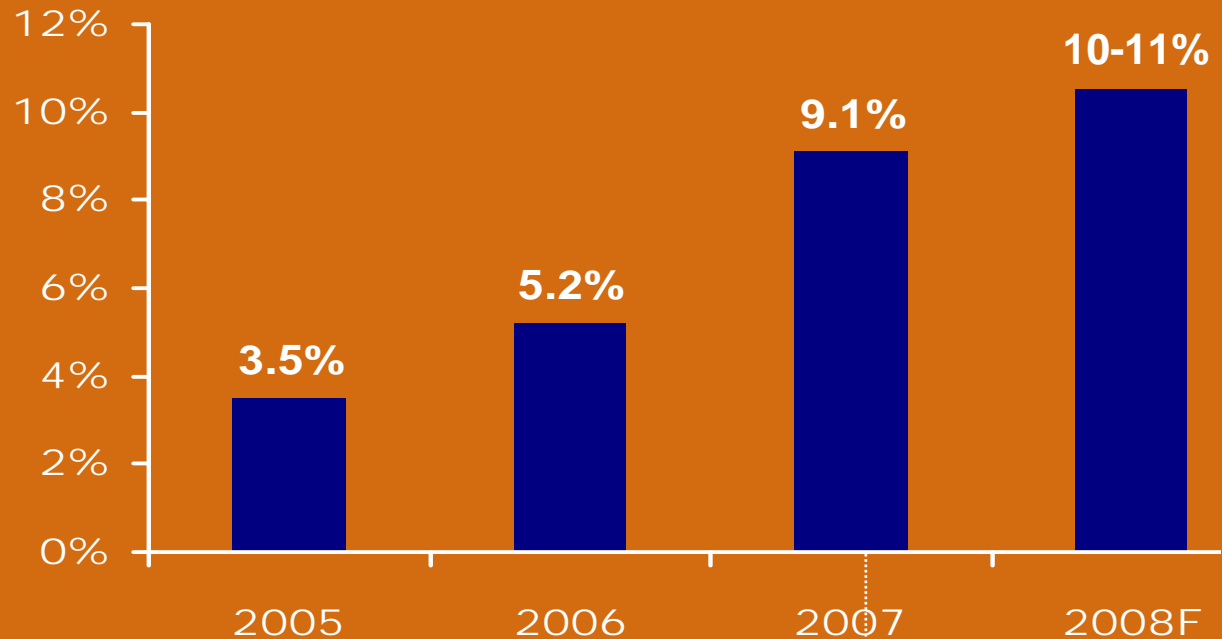
2008 STATUS ▼

- ASI expected to gain 1-to-2 share points organically in 2008 season

2012 OUTLOOK ▼

- Continued organic share growth

ASI U.S. CORN SHARE EVOLUTION: 2005-2008E



2007

ASI gained 1 share point of organic growth in 2007, ending the year with 9 share points just three years after ASI strategy was initiated

ASI Provides Differentiated Approach to Market While Delivering Gross Profit Per Acre Comparable to *DEKALB*

AmericanSeeds INC.

GEOGRAPHY: **U.S.**

OBJECTIVE: **Grow footprint**

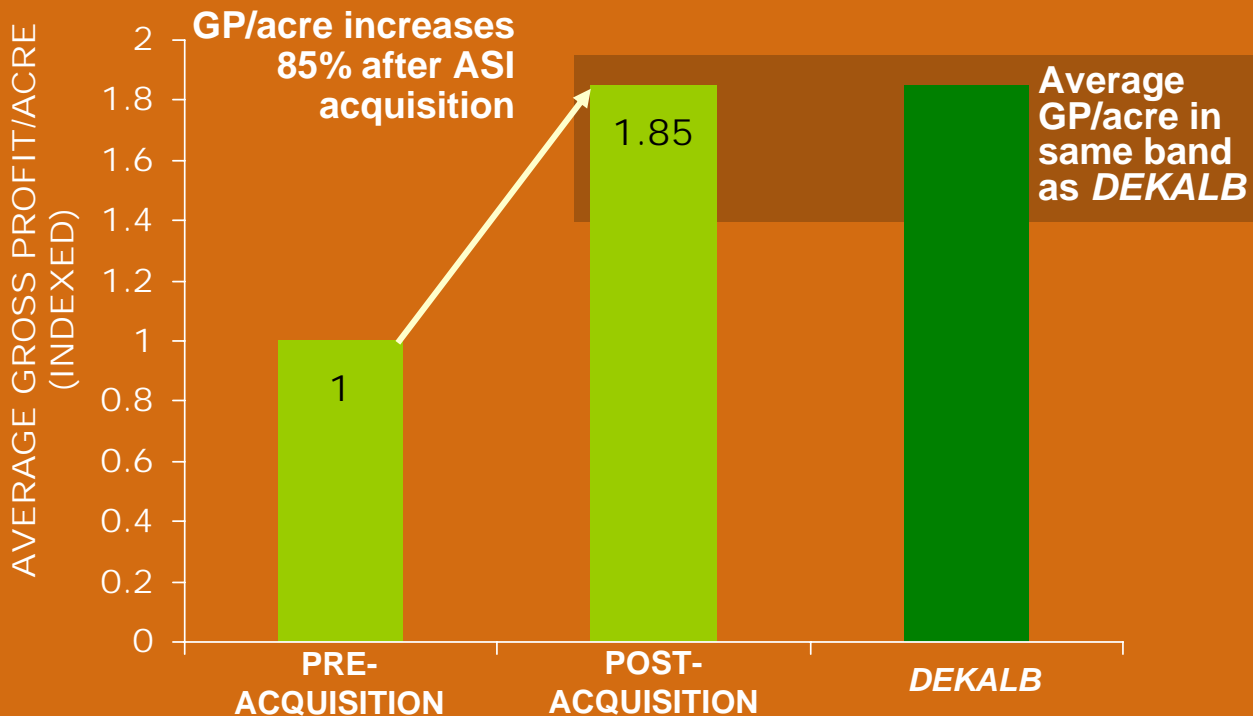
2008 STATUS ▼

- ASI includes 26 brands, with differentiated customer experience from *DEKALB*
- Organic growth of 1 share point in 2007 brought ASI to 9 points total

2012 OUTLOOK ▼

- Continued organic share growth

ASI GROSS PROFIT PER ACRE



- With technology infusion, gross profit per acre lifts when seed company brought under ASI umbrella

Monsanto Infused Technology and Capital into ASI Companies, Resulting in Upgraded Margin from Trait Stacks

AmericanSeeds INC.



GEOGRAPHY: **U.S.**

OBJECTIVE: **Expand trait penetration and bridge to SmartStax 2010 launch**

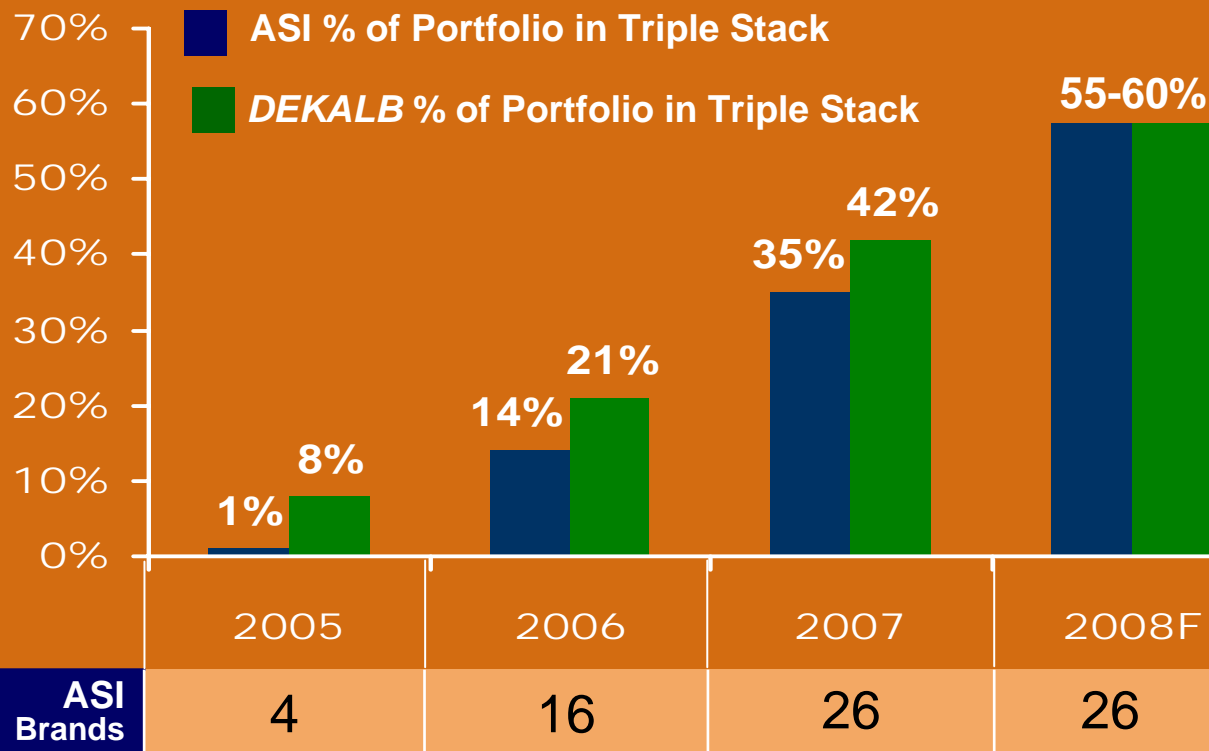
2008 STATUS ▼

- **DEKALB** and ASI portfolios expected to be 55-60 percent triple stack

2012 OUTLOOK ▼

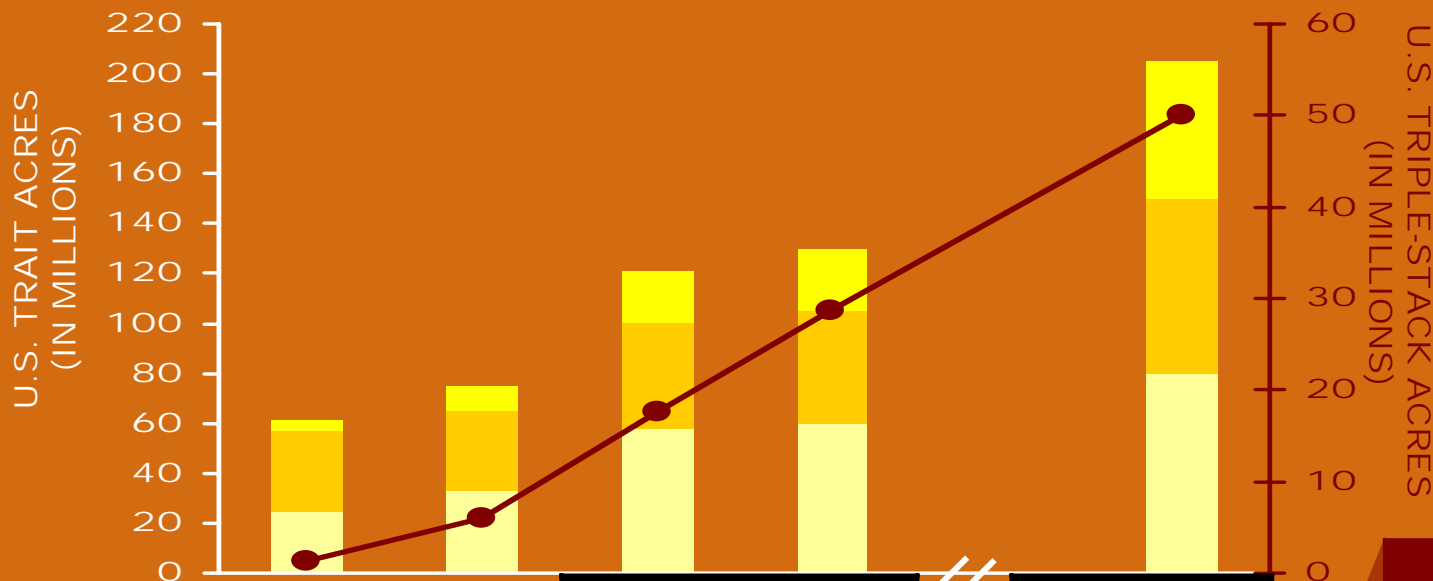
- Continued high triple trait penetration in both **DEKALB** and ASI brands, creating platform for conversion to **SmartStax**

PERCENTAGE OF BRANDED PORTFOLIO CONTAINING TRIPLE STACK



U.S. Triple-Stacked Corn Forecasted to Grow 40 to 50+ Percent in 2008

U.S. CORN TRAIT OPPORTUNITY: 2005-2010F



	2007	2008F	2010 Opportunity
Rootworm Control	20.8M	26-28M	45-55M
Corn Borer Control	42.4M	40-42M	60-70M
Glyphosate Tolerance	57.9M	63-65M	80M
Triple Stack	17.6M	25-27M	45-55M

CATALYSTS OF TRIPLE STACK GROWTH

- ① Channel Triple Penetration
- ② DEKALB Supply Guarantee
- ③ Yield Insurance Program

Trait acres reflect the total acres planted with each individual trait. In the case of stacked traits, each absolute acre will be reflected by two or more trait acres.

Source: "Monsanto Biotechnology Trait Acreage" available through: monsanto.com/investors/

DEKALB Expected to Gain Corn Share and Maintain Leadership in Expanded Market in Argentina



GEOGRAPHY: **Argentina**

OBJECTIVE: **Expand international footprint**

2008 STATUS ▼

- Expected to grow 5 share points in a market that is 25 percent larger than in 2007

2012 OUTLOOK ▼

- Target 1-to-2 share points of growth annually through 2012



	2007 (06/07 SEASON)	2008F (07/08 SEASON)
HYBRID MARKET SIZE	8M ¹	10M ¹
DEKALB SHARE	40%	45%
AVG. RETAIL PRICE FOR DEKALB HYBRID CORN SEED	\$23/ACRE	\$29/ACRE

Approval of Stacked Corn in Argentina to Accelerate *Roundup Ready* Adoption; 30-to-40 Percent Availability Planned for 2009



GEOGRAPHY:

Argentina

OBJECTIVE:

Set the table for biotech trait ramp outside the U.S.

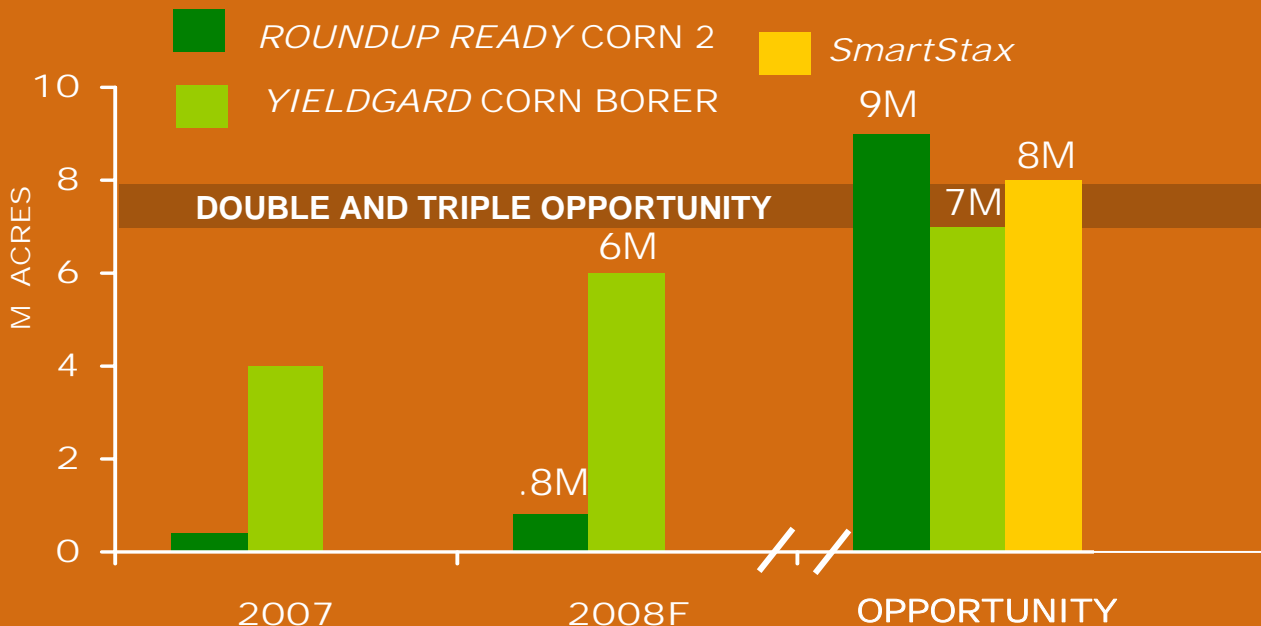
2008 STATUS ▼

- 86 percent of corn borer control opportunity penetrated in 2008 season; *Roundup Ready Corn 2* relatively untapped
- Approximately 150K acres of double stack planted in first year of launch
- Seed production for 30-to-40 percent double-stack traits in 2009

2012 OUTLOOK ▼

- Continue penetration of double-stack to create footprint for *SmartStax*

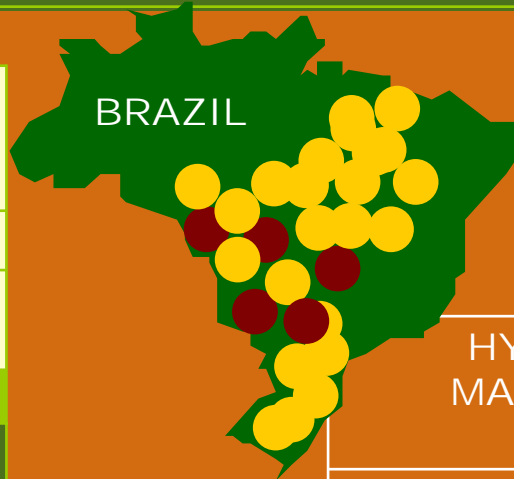
TRAITED CORN ACRES PLANTED VS. OPPORTUNITY IN ARGENTINA



ROUNDUP READY CORN 2 YIELDGARD CORN BORER - ARGENTINA

- Growers forced to trade off between insect and weed control prior to approval of double stack; penetration expected to accelerate much faster than with single traits.
- 100 percent of corn acres in Argentina infested with sugarcane corn borer and corn earworm, making *SmartStax* an excellent fit for this market

Brazil Expected to Turn the Corner and Hold Hybrid Corn Seed Share in 2008



● SAFRA
● SAFRINHA

GEOGRAPHY:

Brazil

OBJECTIVE:

Hold brand share in 2008

2008 STATUS ▼

- **DEKALB and Agroeste combined are forecasted to be flat with 2007, delivering on our goal to stabilize share in 2008**

2012 OUTLOOK ▼

- **After 2008, target 1-2 share point gains per year**

	2007	2008F
HYBRID MARKET SIZE	23M	26M
MONSANTO SHARE	40%	40%
AVG. RETAIL PRICE FOR DEKALB HYBRID CORN SEED	\$29/ACRE	\$34/ACRE

BRAZILIAN HYBRID CORN MARKET

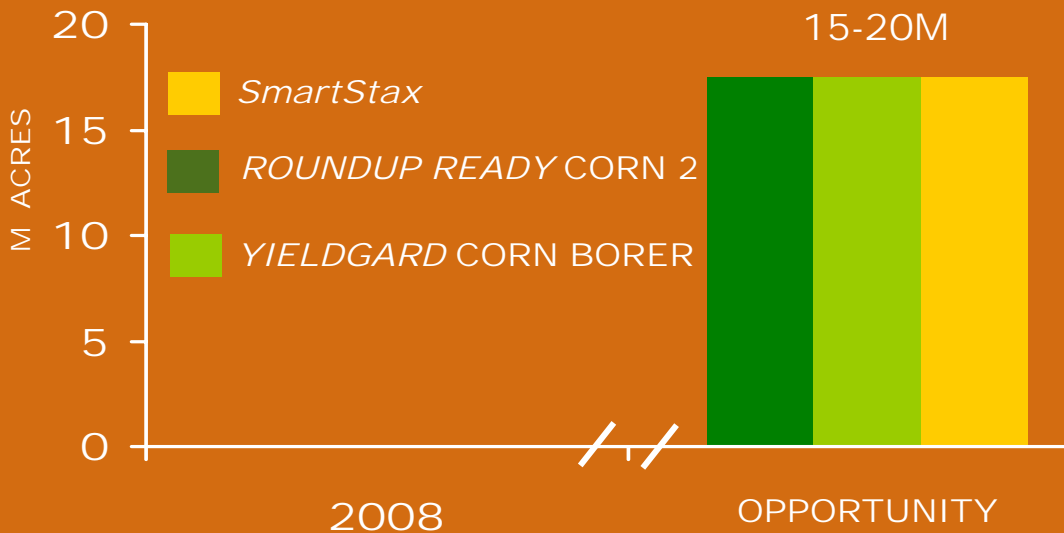
SAFRA (SUMMER) – Produced during wet summer months (Oct. – Feb.); expected to account for 60 percent of total corn planted for 2007-2008 season.

SAFRINHA (WINTER) – Produced during winter months (Jan. – Sept.); expected to account for 40 percent of total corn planted in 2008 season. Market experiencing the most growth and represents our strongest share.

Final Approvals Pending in Brazil for *YieldGard* Corn Borer; Potential for Launch in 2009

GEOGRAPHY:	Brazil
OBJECTIVE:	Set the table for biotech trait ramp outside the U.S.
2008 STATUS ▼	
<ul style="list-style-type: none"> • Awaiting vote from CNBS, the next step in the regulatory approval process for YieldGard Corn Borer 	
2012 OUTLOOK ▼	
<ul style="list-style-type: none"> • First-generation corn traits launched to create footprint for <i>SmartStax</i> 	

TRAITED CORN OPPORTUNITY IN BRAZIL



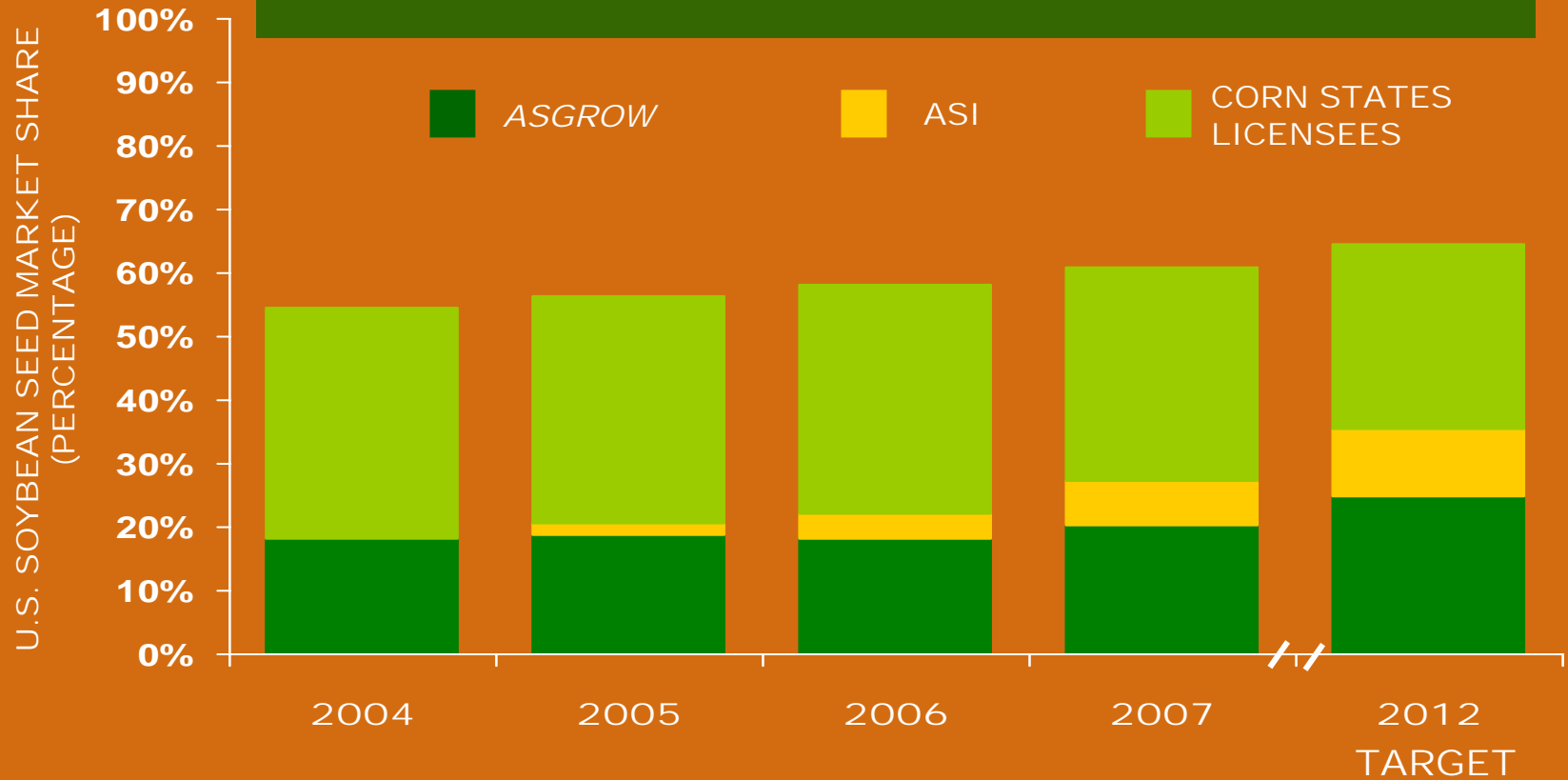
REGULATORY APPROVAL PROCESS IN BRAZIL

- **First step consists of approval from CTNBio, Brazil's biosafety commission, which is managed by the Ministry of Science and Technology to make science-based technical assessments**
- **CTNBio approval may be followed by a review from the National Biosafety Council (CNBS) to examine social and economic factors**
- **Hybrid variety registrations required before commercial launch**

Asgrow Soybean Share Expected to Increase in Expanded Market in 2008



U.S. SOYBEAN BRANDED AND LICENSED SEED SHARE



Japan Export Approval for *Roundup Ready 2 Yield* Received; On Track for 2009 Controlled Commercial Release

CROP:	Soybeans
OBJECTIVE:	Launch <i>Roundup Ready 2 Yield</i>

2008 STATUS ▼

- Consistent 7-to-11percent yield advantage with *Roundup Ready 2 Yield*
- U.S., Canadian and Japanese approvals received; awaiting key export approvals from China, Mexico and Europe
- Pre-launch activities under way

PRICING ▼

- Yield improvement shared with grower; average 5-year soybean commodity price approximately \$6.40 per bushel¹

ROUNDUP READY 2 YIELD SOYBEANS: LAUNCH PLANS



U.S. Controlled Commercial Release Target: 1- 2M Acres

U.S. Full-Scale Launch Target: 5- 6M Acres

Grower level marketing, awareness and trial			
Licensee breeding			
Industry coordination and communications			
• American Soybean Association and key agri-food stakeholders			
Pursuit of export approvals in China, Europe and Mexico – JAPAN RECEIVED			
Branded and licensed seed production			
2007	2008	2009	2010

1. Source: NASS, USDA data 2003 to August 2007

Roundup Ready Soybeans in Brazil Mirroring U.S. Penetration Curve, Creating Future Footprint for Growth

CROP:	Soybeans
OBJECTIVE:	Grow Roundup Ready penetration in Brazil to create platform for Roundup Ready 2 Yield soybeans

2008 STATUS ▼

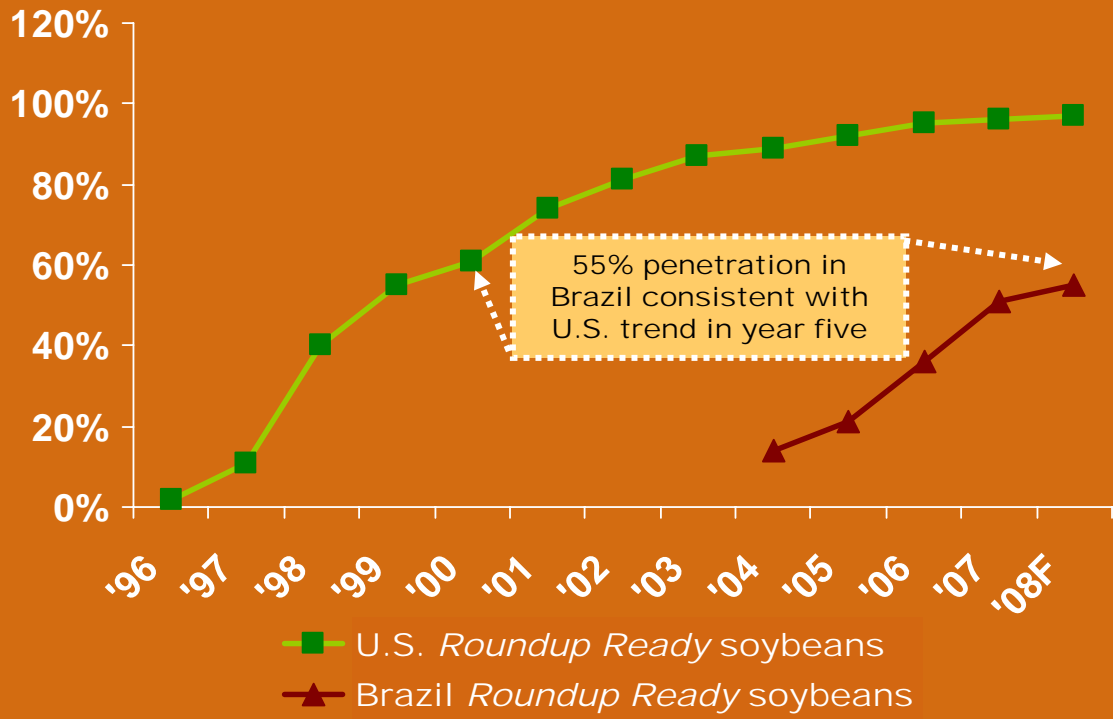
- **Brazil Roundup Ready soybean penetration expected to be 55 percent of opportunity**

2012 OUTLOOK ▼

- **Potential to penetrate 95 percent of Brazilian acres at peak, establishing footprint for transition to insect-protected Roundup Ready 2 Yield soybeans**



ROUNDUP READY SOYBEANS: PENETRATION AS PERCENT OF OPPORTUNITY



Insect-Protected Soybeans Advanced to Phase III to Create Product Unique to Brazilian Market

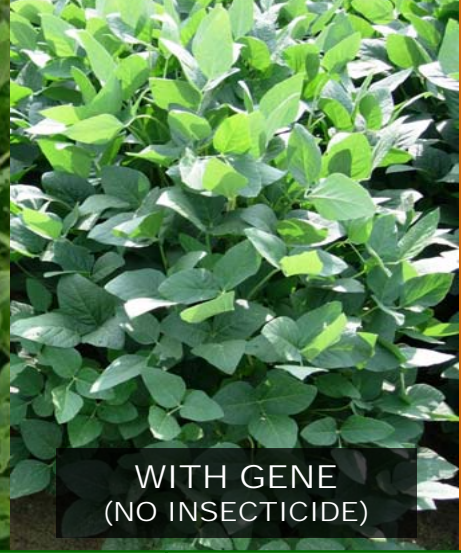
GEOGRAPHY:	Brazil
OBJECTIVE:	Continue to develop and launch pipeline traits with more stacked offerings
2008 STATUS ▼	
<ul style="list-style-type: none"> • Insect-protected soybeans advanced to Phase III • Roundup Ready 2 Yield being tested in tropical germplasm 	

INSECT CONTROL OPPORTUNITY: BRAZIL

TIPTON, GA – FIELD EFFICACY TRIAL – 2007



CONTROL
(NO INSECTICIDE)



WITH GENE
(NO INSECTICIDE)

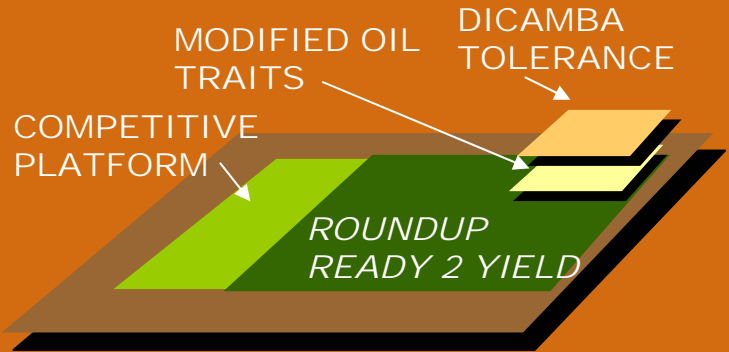
	BENEFITS	ACREAGE OPPORTUNITY
INSECT-PROTECTED SOYBEANS	<ul style="list-style-type: none"> • 4+ percent yield increase vs. insecticide-treated soybeans • Growers currently spray twice per season, at cost of \$5.70/acre for insecticide and one application¹ 	50-60M acres infested with lepidopteran insects in Brazil
<i>ROUNDUP READY 2 YIELD</i>	<ul style="list-style-type: none"> • 7-to-11 percent yield increase in U.S. germplasm; tropical germplasm testing in progress 	50-60M acres in Brazil

1. Source: Kleffmann AMIS for insecticide cost and FNP Agrianual 2007 for spraying cost

Three Soybean Traits Uniquely Advanced to Phase III, Bringing Soy Stacked Offerings Step Closer to Grower

CROP:	Soybeans
OBJECTIVE:	Continue to launch and develop pipeline traits for new stacked offerings

SOYBEAN UPGRADE UNDER WAY; MARKET SEGMENTATION BY MID NEXT DECADE



U.S. SOYBEANS:
60-70M ACRE MARKET

U.S. SOYBEAN MARKET	VALUE
<ul style="list-style-type: none"> • <i>Roundup Ready 2 Yield</i> in market for 2+ years • <i>Vistive III</i> and other modified oil traits being launched 	<ul style="list-style-type: none"> • \$13+/acre for glyphosate tolerance plus 7-to-11 percent yield advantage • Oil premium

BRAZIL SOYBEAN MARKET	VALUE
<ul style="list-style-type: none"> • Insect-protected <i>Roundup Ready 2 Yield</i> being launched 	<ul style="list-style-type: none"> • \$2.50-\$3.00+ per acre for glyphosate tolerance plus 7-to-11 percent yield advantage • Insecticide replacement



BRAZIL SOYBEANS:
50-60M ACRE MARKET

2008 STATUS ▼

- *Roundup Ready 2 Yield* approved for U.S. and Canadian planting and Japanese import; other export approvals pending

2012 OUTLOOK ▼

- Five trait stacks in soybeans feasible, with *Roundup Ready 2 Yield* as base trait for all

Demand-Driven Ag Economy, Expanding *Roundup Ready* Acres and Conservation Tillage Fueling *Roundup* Growth

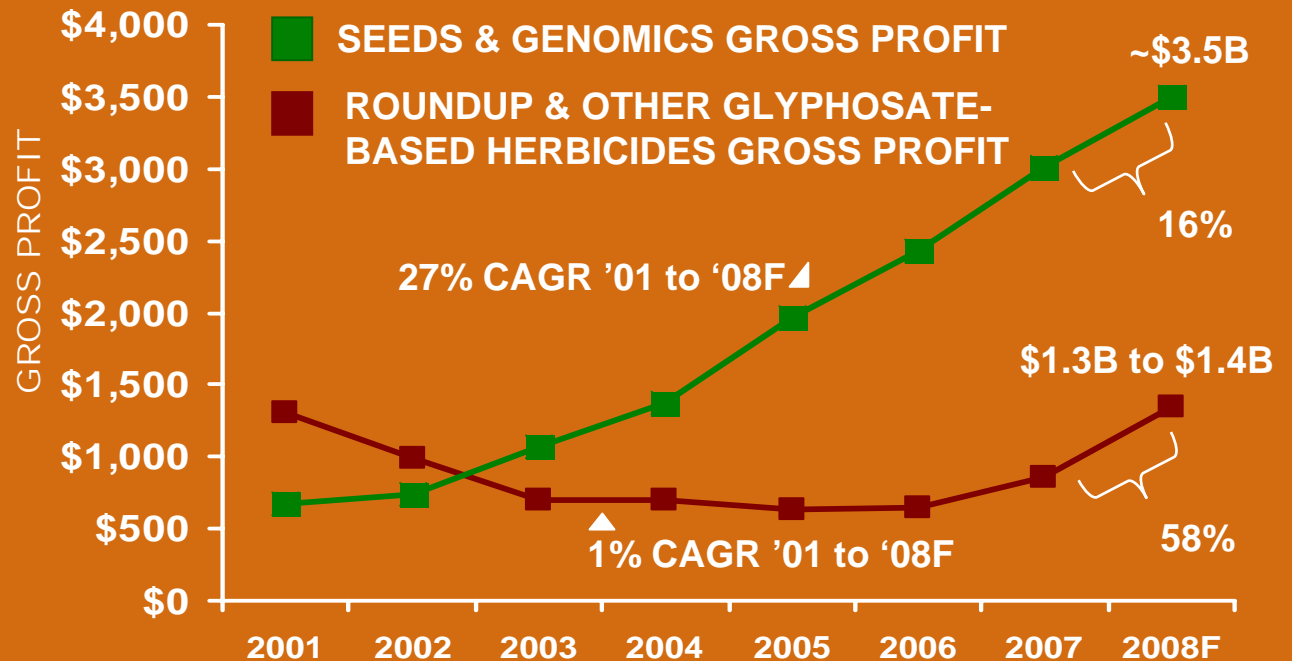


GEOGRAPHY: **Global**

OBJECTIVE: **Maximize return**

2008 STATUS ▼

- *Roundup* and other glyphosate-based herbicides expected to deliver \$1.3 to \$1.4 billion of gross profit on increased volumes and branded price above \$13 per equivalent gallon



ROUNDUP GROSS PROFIT DRIVERS

DEMAND DRIVEN VOLUME:

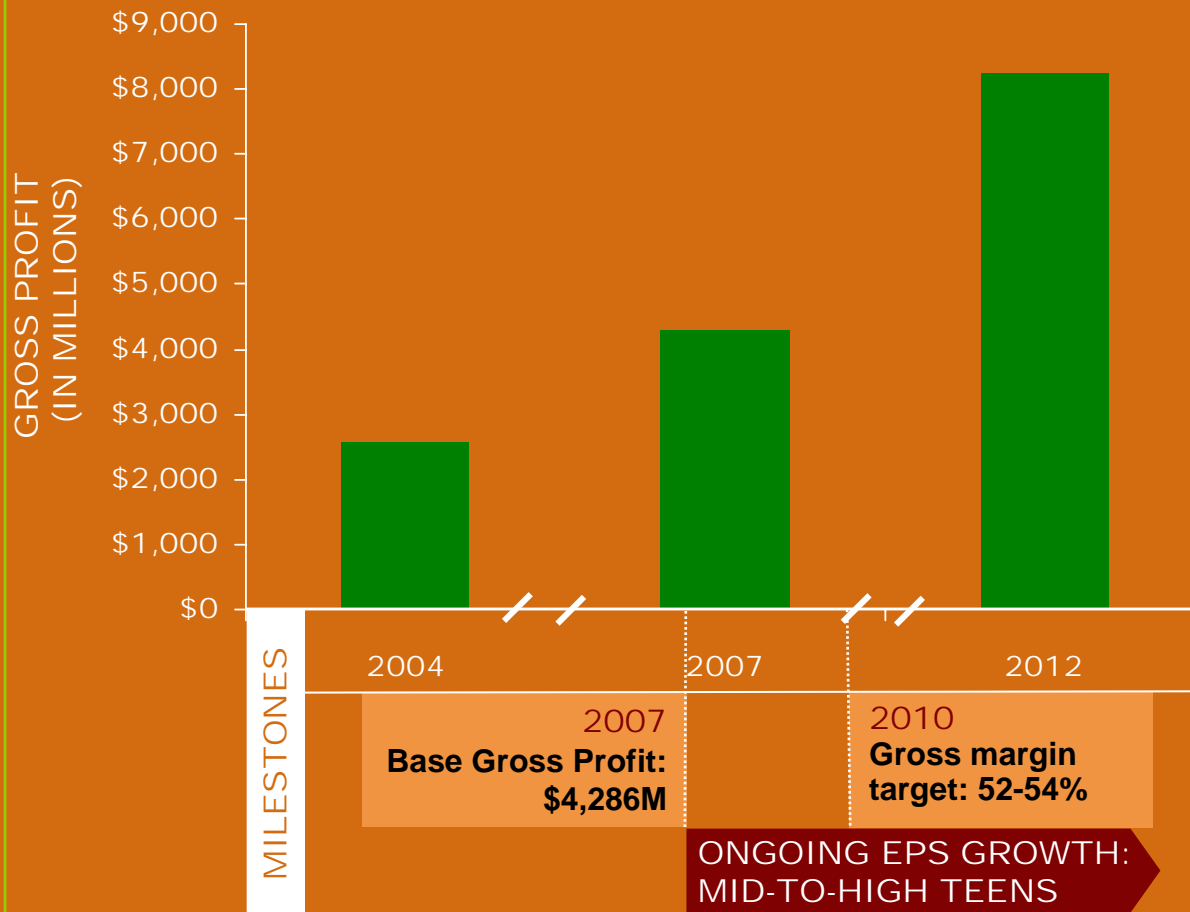
- Increasing *Roundup Ready* acres for over-the-top application
- Increasing fuel costs drive increased adoption of conservation tillage practices

COMPETITIVE PRICING:

- Conversion of other key glyphosate suppliers to western accounting practices
- Rising glyphosate COGS for Chinese suppliers driven by more stringent environmental controls and increased raw material costs

Given Growth Opportunities, Monsanto Has Potential to Double Gross Profit Over the Next Five Years

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Acquisitions to be pursued, but are not included in this growth projection

Earnings continue to translate into operating cash, and value created for shareowners through combination of acquisitions, share repurchases and dividends

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Free Cash Flow

\$ Millions	Fiscal Year 2008 Target
Net Cash Provided (Required) by Operations	\$1,950 - \$2,050
Net Cash Provided (Required) by Investing Activities	(1,050)
Free Cash Flow	\$900 - \$1,000
Net Cash Provided (Required) by Financing Activities	N/A
Effect of Exchange Rate Changes on Cash and Cash Equivalents	N/A
Net Increase (Decrease) in Cash and Cash Equivalents	N/A