

Forward-Looking Statements

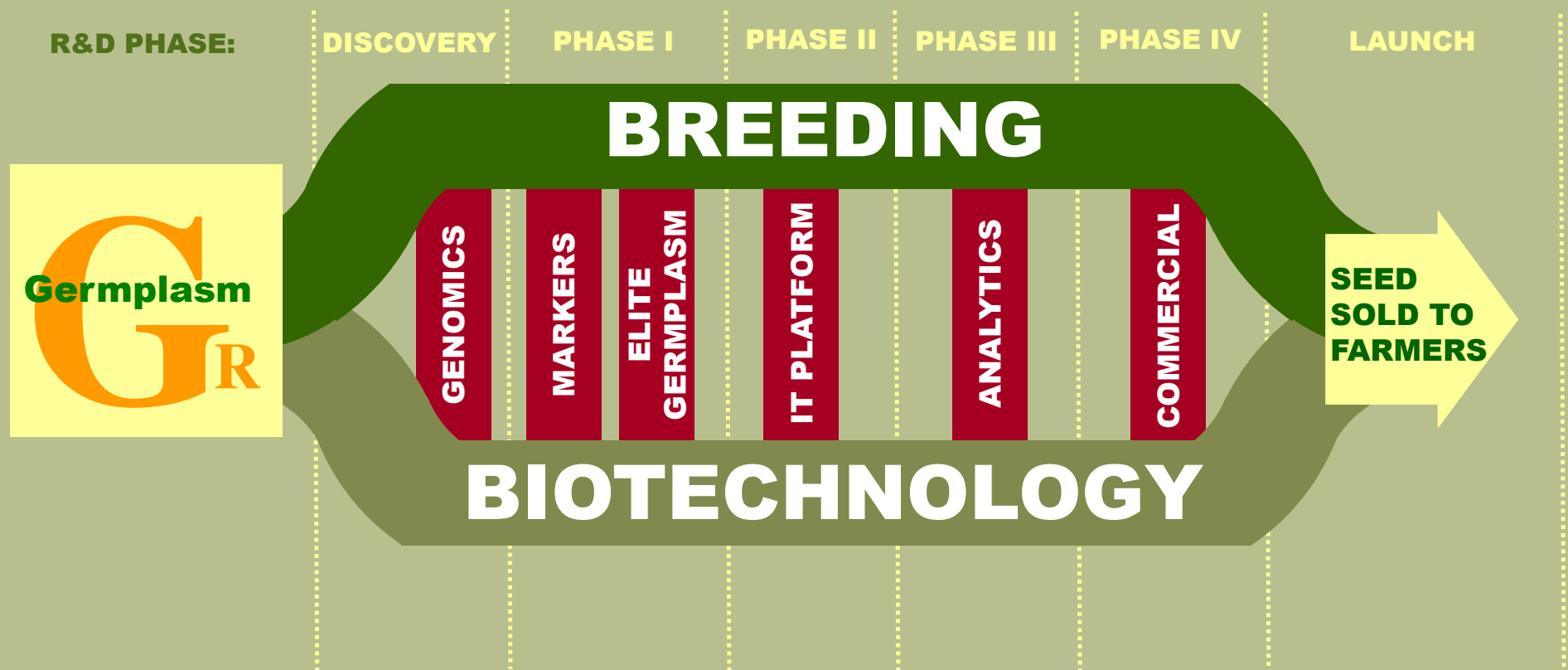
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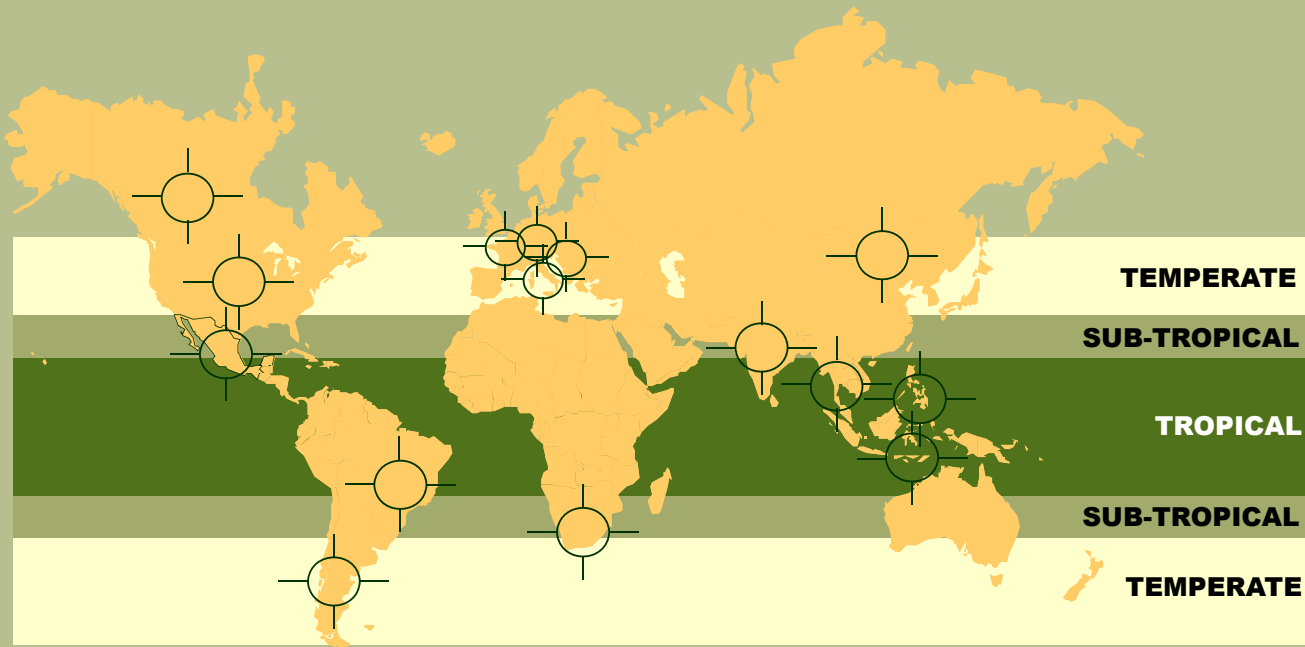
Breeding and Biotech Provide Parallel R&D Paths to Commercial Products

- BREEDING and BIOTECHNOLOGY form two R&D pathways
- Separate, but parallel, the BREEDING and BIOTECHNOLOGY pathways are linked by shared tools



Germplasm Is Building Block for Better Seed; Germplasm Library is Building Block for Better Breeding

CORN SEED GERMPLASM LIBRARY ASSEMBLED GEOGRAPHIC POOLS



- Monsanto's corn germplasm library is assembled from 55 breeding programs in 15 different countries
- Annually, breeders exchange more than a million different "packages" of germplasm material from these 15 countries
- >50% of Monsanto's corn hybrids result from intra-company crosses

GERMPLASM

OVERVIEW:

Germplasm is like breeding in thoroughbred race horses – just as breeders select for the fastest race horses, seed breeders look to pair the best pool of genes for the strongest yielding seed

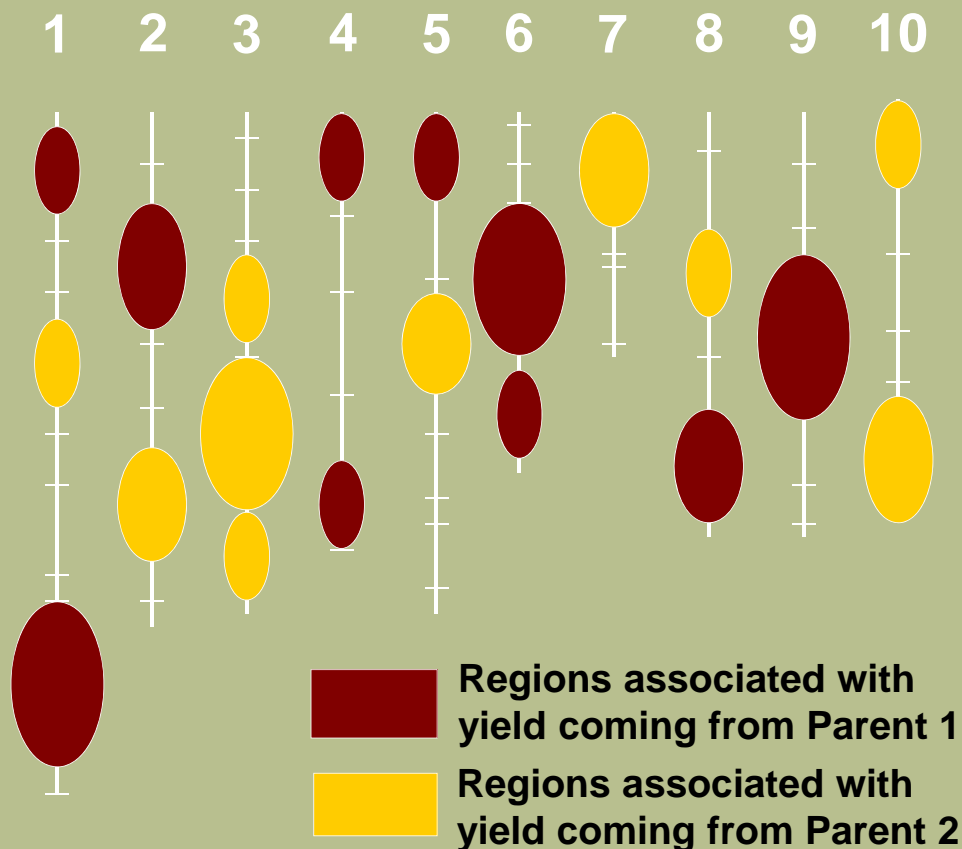
APPLICATION:

Germplasm pools allow breeders to target key physiological traits:

- Increasing Yield
- Disease Resistance
- Stress Tolerance
- Grain Quality / Added Value

Markers Allow Breeders to Get Best Combinations of Germplasm Faster With Greater Predictability

TRACKING CHARACTERISTICS FOR YIELD YIELD-RELATED AREAS ON CORN CHROMOSOMES



MARKERS

OVERVIEW:

A corn plant has 40,000 genes spanning 10 chromosomes. Characteristics – or traits – are built from different pieces on different chromosomes. Markers are DNA ‘flags’ that indicate where particular genes are located

APPLICATION:

Using markers to make better selections, breeders can improve the probability of success:

Probability of finding 1 trait that is controlled by 20 genes

“Random” crosses:

1 per trillion

After application of markers and breeding technology

1 in 5

Double Haploid Process Accelerates Development of New Elite Inbred Lines

① BREEDING POPULATION



Genes from each parent



② HAPLOID INDUCER



Unique genetics to create haploid kernels



③ INCOMPLETE FERTILIZATION

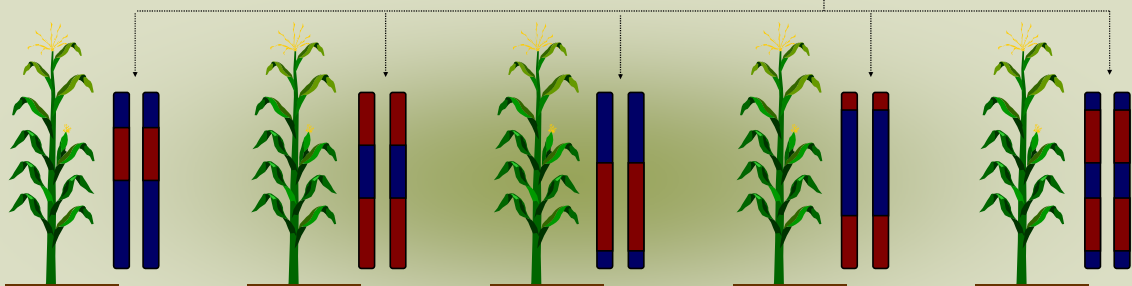
Corn has 10 *pairs* of chromosomes. A key to breeding is creating inbred parents which have the same genes on both chromosome pairs. Double Haploid breeding can do that in one year – versus 8-9 generations in traditional methods.



④ PUTATIVE HAPLOID KERNELS

⑤ INSTANT INBREDS

Identical left and right chromosomes: "homozygous" parent inbred



ADVANTAGES

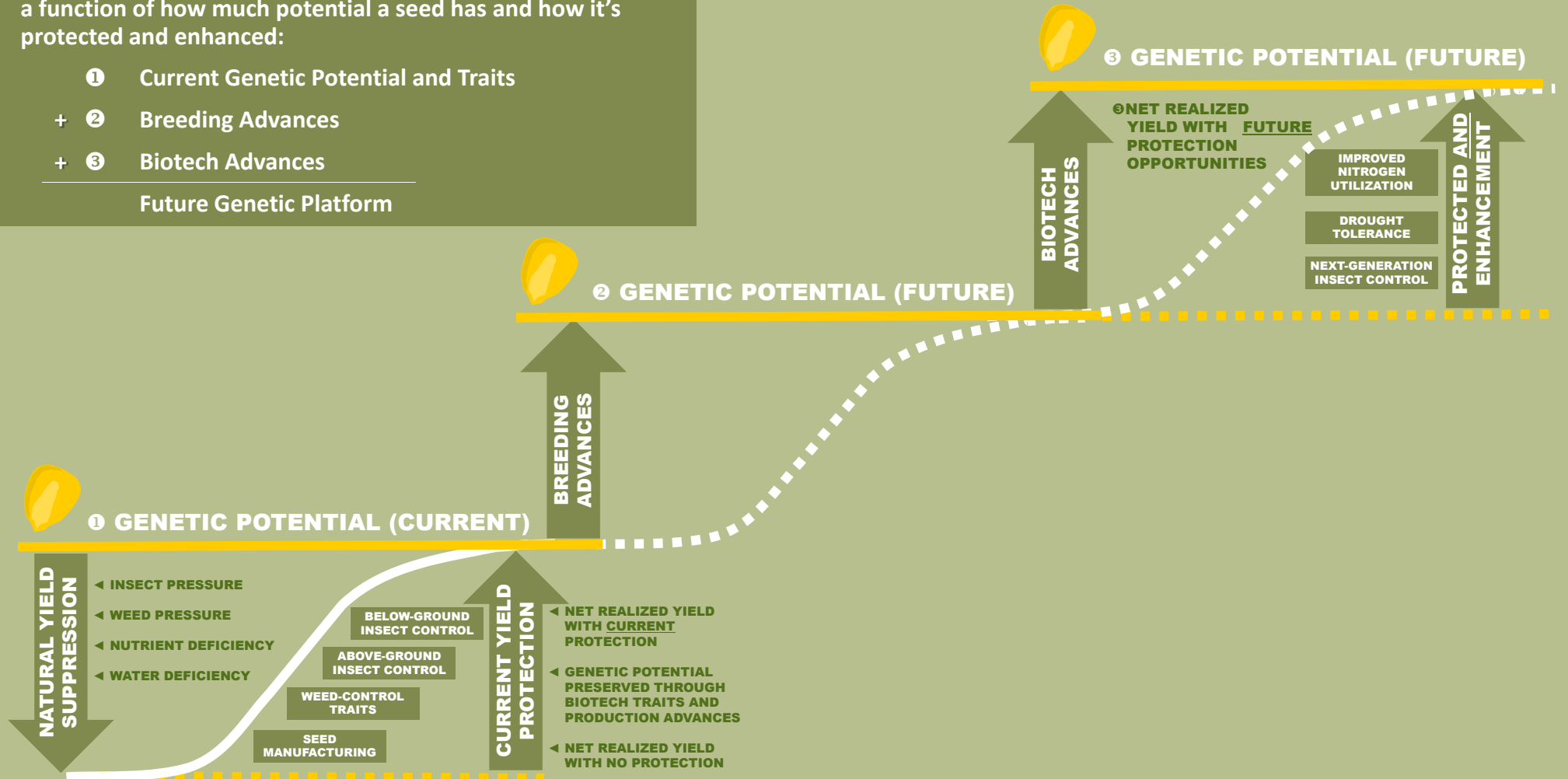
- > Rapid development of new elite inbreds
- > Higher quality yield testing
- > Better phenotypic evaluations
- > Higher advancement rates

Delivering Yield Favors Companies That Can Provide Both Breeding and Biotechnology Improvements in Concert

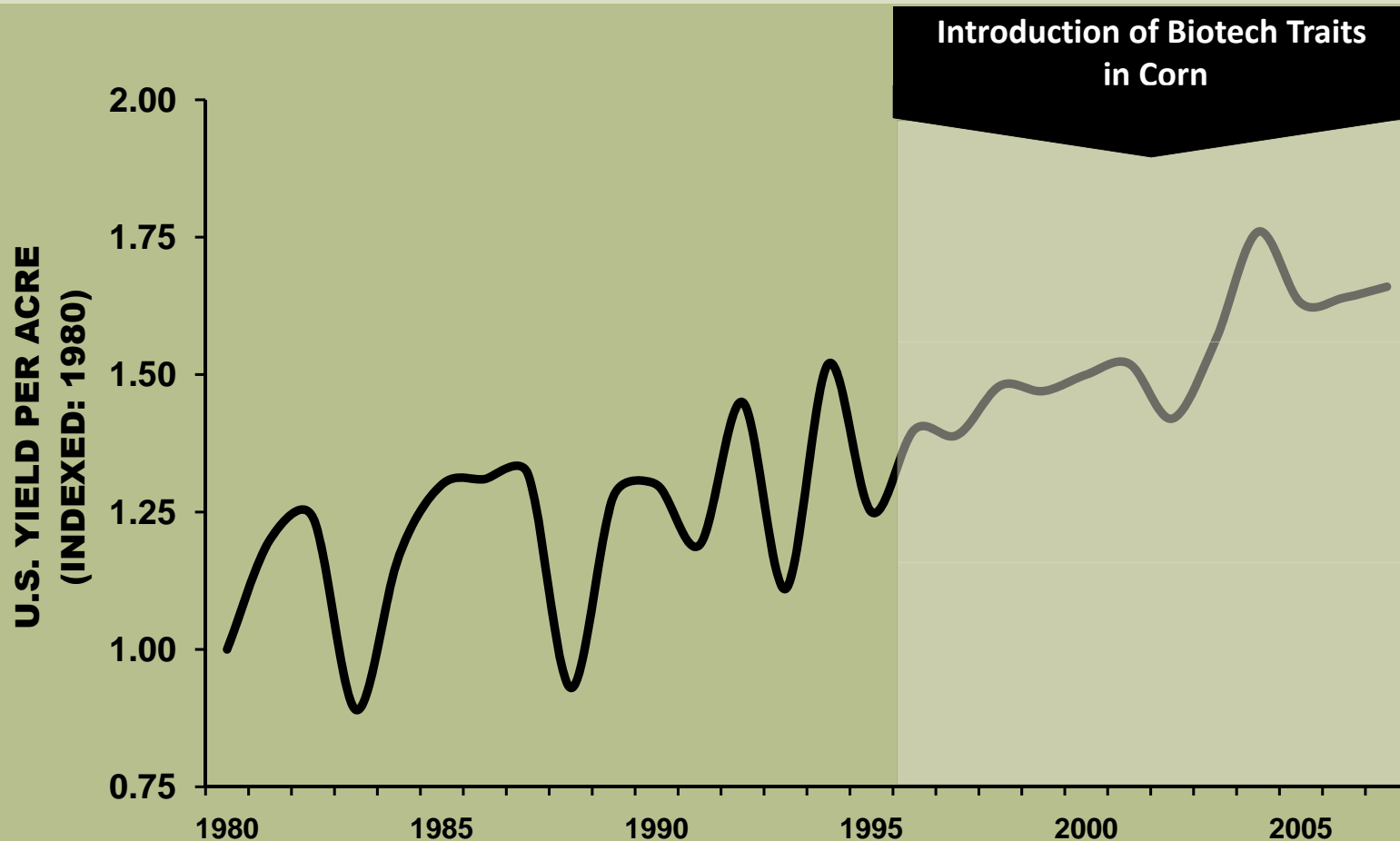
FOCUS: YIELD

What matters to a farmer is the yield at harvest, which is a function of how much potential a seed has and how it's protected and enhanced:

- ① Current Genetic Potential and Traits
 - + ② Breeding Advances
 - + ③ Biotech Advances
-
- Future Genetic Platform



Introduction of Biotechnology in Corn Reduces Volatility in U.S. Corn Yields



**Introduction of Biotech Traits
in Corn**

BIOTECH

PROTECTING YIELD
Making sure potential yield translates to realized yield

REDUCING RISK
By reducing volatility caused by insects and environment, biotech reduces production risk

BREEDING

CREATING YIELD

Boosting the inherent yield possible from the seed

INCREASING INHERENT YIELD

Average U.S. yields for corn have increased >25% in last 20 years

VALUE

**IMPROVED YIELD AND
REDUCED RISK**