

April 13, 2009

Questions and Answers on PCB's

1. What are the health effects of PCBs?

A. The credible scientific evidence does not support any causal link between exposure to PCBs and cancer or other serious human illnesses.

The overwhelming weight of the reliable scientific evidence does not establish that exposure to PCBs, except at very high levels, causes any adverse human health conditions.

At very high levels, exposure to PCBs may cause a serious skin condition, called chloracne, and the temporary elevation of some serum enzyme levels, which return to normal after exposure ends.

2. What is Monsanto's position on the 2003 Anniston settlement?

A. These environmental issues occurred many decades ago before current standards were in place. Monsanto has accepted responsibility for addressing the contamination issues, working with Solutia as well.

Most of the clean-up efforts at Anniston have been completed.

Monsanto paid a large portion of a \$650 million settlement in 2003 that addresses the issues.

Among activities funded by Monsanto, a health clinic of residents of Western Anniston has been set up. Ongoing educational grants for programs such as HeadStart for children have been made.

Monsanto has stepped up and committed to addressing the contamination issues and will continue doing so in the years to come.

3. What is the history of Monsanto's manufacture of PCBs in Anniston?

A. PCBs – a chemical used widely for decades as safety fluids to insulate and cool heavy-duty electrical equipment – were made in Anniston from 1929 to 1971.

Because of effective fire resistance, PCBs saved lives and property, and they were required to be used in buildings by government building codes for more than four decades.

But some of the same traits that made PCB's so attractive to the electrical industry – the fact they are very stable and do not react with other substances – also resulted in their persistence in the environment.

The Anniston plant voluntarily stopped making PCBs eight years before the U.S. Congress banned any further manufacturing of PCB's 1979.

The Anniston, Alabama, manufacturing facility was part of the specialty chemical businesses that became part of Solutia Inc. when Solutia was spun off from the former Monsanto in 1997. Solutia is currently involved in the PCB clean up efforts in the Anniston area.

In connection with September 2000 transfer to the current Monsanto of the operations, assets and liabilities of Pharmacia's agricultural products business, we agreed to indemnify Pharmacia for any liabilities that Solutia assumed from Pharmacia in connection with its 1997 spin-off to the extent that Solutia fails to pay, perform or discharge those liabilities. We stand by our commitment.

Solutia filed for bankruptcy in December, 2003 and ceased performing certain aspects of its environmental work in Anniston. Per the indemnity agreement with Pharmacia, Monsanto has been ensuring that the remediation program in Anniston continues and that the requirements of the 2003 consent decree continue to be met. Substantial progress has been made in the remediation program.

4. What is the business of the current Monsanto?

A. Monsanto sold its chemical division that manufactured and sold PCB's more than a decade ago in 1997. Today Monsanto is an agricultural company. Its mission is to apply innovation and technology to help farmers around the world be more successful by producing healthier foods, better animal feeds and more fiber, while also reducing agriculture's impact on the environment.

5. How many legal actions remain following the 2003 legal settlement in Anniston and what is the relationship of Monsanto and Pharmacia in these legal actions?

There are a total of about 2,900 plaintiffs in 47 legal actions.

Also, Monsanto has an agreement with Pharmacia for Monsanto to defend any tort litigation arising from the PCB issue at Anniston.

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