Dear Pharmacia Shareholder:

On August 13, 2002, we distributed all of our remaining interest in Monsanto Company to the holders of record of shares of Pharmacia common stock that were issued and outstanding as of 5:00 p.m. Eastern time on July 29, 2002. The Tax Information Statement provides you with important information concerning:

- the U.S. federal income tax treatment of the Monsanto shares you will receive,
- the calculation of your U.S. federal income tax basis in your Pharmacia shares that were outstanding on the record date and the Monsanto shares that were distributed on those Pharmacia shares in the spin-off, and
- the determination of your holding period in your Monsanto shares.

Also included is:

- a shareholder statement to be filed with your U.S. federal income tax return, and
- a worksheet for calculating your U.S. federal income tax basis.

We are confident that the spin-off will benefit Pharmacia, Monsanto and our shareholders. Thank you for your investment in Pharmacia.

Sincerely,

Don W. Schmitz

Don W. Schmitz
Secretary
Pharmacia Corporation

100 Route 206 North
Peapack, New Jersey 07977
www.pharmacia.com
TAX INFORMATION STATEMENT

Spin-off of Monsanto Company Through the Distribution by Pharmacia Corporation of 220,000,000 Shares of Monsanto Common Stock to Pharmacia Common Shareholders

We are sending you this Tax Information Statement because we have spun off our remaining interest in our Monsanto Company subsidiary to the holders of our common stock and wish to provide our shareholders with information regarding certain U.S. federal income tax implications to them of the distribution.

We have received a ruling from the U.S. Internal Revenue Service to the effect that the spin-off distribution generally will be tax-free to Pharmacia shareholders for U.S. federal income tax purposes.

Pharmacia shareholders are urged to consult their own tax advisors to determine the particular tax consequences of the spin-off to them, including the effect of any state, local or foreign income and any other tax laws.

The date of this Tax Information Statement is August 15, 2002.

U.S. Federal Income Tax Consequences

Pharmacia has obtained from the U.S. Internal Revenue Service a private letter ruling stating that Pharmacia shareholders will generally not recognize income, gain or loss for U.S. federal income tax purposes as a result of the distribution of Monsanto common stock to them in the spin-off, except to the extent that such shareholders receive cash in lieu of fractional shares of Monsanto common stock.

Current Treasury Regulations require that each taxpayer who received this tax-free distribution attach to his or her U.S. federal income tax return for the tax period including August 13, 2002, a statement containing the details of the transaction. To assist you in complying with this requirement, a shareholder statement is enclosed that you can complete and attach to your U.S. federal income tax return for the period including August 13, 2002. For those shareholders who are calendar year taxpayers, the enclosed statement should be attached to your U.S. federal income tax return for 2002.

The distribution of 0.170593 shares of Monsanto common stock for each share of Pharmacia common stock outstanding for which you were the record holder as of 5:00 p.m. Eastern time on July 29, 2002, the record date, may have entitled you to receive a fractional share of Monsanto common stock. If you are a registered holder of Pharmacia common stock, you will receive whole and fractional shares of Monsanto common stock unless the number of shares of Monsanto common stock that you are entitled to receive is less than one. If you are a registered holder entitled to receive less than one share of Monsanto common stock, the transfer and disbursing agent will aggregate your fractional shares with the fractional shares of other such registered holders and sell them through a broker-dealer, that is unaffiliated with either Pharmacia or Monsanto, in the open market at the then prevailing prices on behalf of you and the other such holders. You will then receive a check in an amount equal to your pro rata share of the total net proceeds of that sale. If you hold your Pharmacia common stock through a bank or brokerage firm, you will receive whole and/or fractional shares of Monsanto common stock that you are entitled to receive based on the policies and practices of your bank or brokerage firm. It may, for example, be the policy and practice of your bank or brokerage firm to issue cash in lieu of fractional shares.

The letter ruling from the Internal Revenue Service provides that Pharmacia shareholders who receive cash in lieu of a fractional share of Monsanto common stock will recognize gain or loss for U.S. federal income tax purposes measured by the difference between the allocable tax basis of the fractional share (see tax basis computation discussed below) and the amount of cash received. Therefore, you should keep a record of the amount of cash you receive in lieu of receiving a fractional share of Monsanto common stock for purposes of completing your U.S. federal income tax return for the period including the distribution date.
U.S. Federal Income Tax Basis

The letter ruling from the Internal Revenue Service states that for U.S. federal income tax purposes, except for gain or loss recognized by Pharmacia shareholders who receive cash in lieu of a fractional share of Monsanto common stock, Pharmacia shareholders generally will not recognize any income, gain or loss when you receive shares of Monsanto common stock due to the spin-off. However, as in any sale of stock, you must recognize any gain or loss you realize if you subsequently sell shares of Pharmacia or Monsanto common stock. To determine your gain or loss from the sale of Pharmacia or Monsanto common stock, you will need to know your tax basis. Enclosed is a worksheet that illustrates how to allocate the tax basis in the Pharmacia common stock with respect to which you received shares of Monsanto common stock in the distribution among such shares of Pharmacia common stock and Monsanto common stock. The following discussion does not address the allocation of tax basis by persons who did not hold their shares of Pharmacia common stock continuously from the record date until the distribution date or who sold shares of Monsanto common stock in the “when-issued trading” market. Please consult your tax advisor for additional guidance with respect to the determination of tax basis under such circumstances.

To allocate the tax basis in your Pharmacia common stock you will need to know:

- the number of shares of Pharmacia common stock you held on the record date, and
- your total tax basis in those shares immediately prior to the spin-off.

Generally, the total tax basis of Pharmacia common stock you purchased is equal to the total price you paid for those shares plus any commissions or other fees you paid. If you received any of your shares by gift, bequest or through a merger, reorganization, stock split, or similar corporate transaction, special rules apply for purposes of determining the tax basis of your shares that are beyond the scope of this Tax Information Statement. Please consult your tax advisor for additional guidance with respect to the determination of the tax basis of your shares of Pharmacia common stock.

As a result of the spin-off, you were entitled to receive 0.170593 shares of Monsanto common stock for each share of Pharmacia common stock you owned on the record date. U.S. federal income tax law requires that you allocate the tax basis of the Pharmacia shares you owned on the record date between (i) those Pharmacia shares, and (ii) the Monsanto shares you were entitled to receive in the spin-off (including fractional shares, if any, sold on your behalf). This allocation depends on the ratio of the fair market values of the shares of Pharmacia and Monsanto common stock.

The enclosed tax basis worksheet explains this calculation and includes a sample allocation of tax basis between Pharmacia and Monsanto shares. Please note that this calculation will need to be repeated for each block of shares of Pharmacia common stock in which you have a different tax basis. The percentages of tax basis to be allocated to shares of Pharmacia and Monsanto common stock are based on the average of the high and low sale prices per share on the New York Stock Exchange on the distribution date.
Holding Period

The letter ruling from the Internal Revenue Service addressed the appropriate manner to calculate the holding period of your Monsanto shares for federal income tax purposes if you hold your shares of Pharmacia common stock as a capital asset. To determine your holding period, the letter ruling provides that you add (i) the period you hold the shares of Monsanto common stock from the distribution date until you sell them and (ii) your holding period for the shares of Pharmacia common stock with respect to which you received the distribution of Monsanto common stock.

For example, after receiving the Monsanto shares, assume you hold such Monsanto shares for three months after the distribution date before disposing of that Monsanto stock. If you held the shares of Pharmacia common stock that entitled you to receive the shares of Monsanto common stock for ten months prior to the spin-off, you will be treated as having held the Monsanto shares for a total of thirteen months before the disposition. Since the holding period of the shares of Monsanto common stock in such a case would exceed one year, any gain or loss on the disposition would be long-term capital gain or loss if such stock had been held by you as a capital asset.

The information regarding the U.S. federal income tax consequences of the spin-off presented in this letter is for general reference only and does not purport to cover all U.S. federal income tax consequences that may apply to all categories of shareholders. Accordingly, all shareholders should consult their own tax advisors regarding the particular federal, foreign, state, and local tax consequences of the spin-off to them and any proposed changes in applicable law.
Shareholder Statement Pursuant to Treasury Regulation Section 1.355-5(b)

Statement of shareholder receiving a distribution of stock in Monsanto Company (the “Controlled Corporation”) pursuant to Treasury Regulation Section 1.355-5(b).

1. The undersigned, a shareholder owning shares in Pharmacia Corporation (the “Distributing Corporation”) as of July 29, 2002, received a distribution of stock in the Controlled Corporation pursuant to Section 355 of the Internal Revenue Code (the “Code”).

2. The names and addresses of the corporations involved are as follows:
   (a) Pharmacia Corporation, 100 Route 206 North, Peapack, NJ 07977
   (b) Monsanto Company, 800 North Lindbergh Boulevard, St. Louis, Missouri 63167

3. The undersigned surrendered no stock or securities in Pharmacia Corporation in connection with the distribution.

4. The undersigned received ______ shares (including fractional shares) of common stock of Monsanto Company in the distribution.

5. By letter dated July 25, 2002, the IRS ruled that the distribution by Pharmacia Corporation of shares of Monsanto Company qualifies as a tax-free transaction under Section 355 of the Code.

Shareholder’s Signature ____________________________________________________________

Spouse’s Signature (if stock held jointly) ________________________________________________________________________________________

U.S. Federal Income Tax Basis Worksheet (Examples Only)\(^1\)

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Hypothetical Example(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of Pharmacia shares held</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Multiply line 1 by 0.170593. Number of Monsanto shares you were entitled to receive.(^3)</td>
<td>17.0593</td>
</tr>
<tr>
<td>3</td>
<td>Tax basis of pre-spin Pharmacia shares</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>4</td>
<td>Percentage of the tax basis allocated to your post-spin Pharmacia shares (see the attached calculation).</td>
<td>93.90%</td>
</tr>
<tr>
<td>5</td>
<td>Percentage of the tax basis allocated to your Monsanto shares (see the attached calculation).</td>
<td>6.10%</td>
</tr>
<tr>
<td>6</td>
<td>Line 3 multiplied by line 4. <strong>This is the new tax basis of your Pharmacia shares post spin-off</strong></td>
<td>$ 4,695</td>
</tr>
<tr>
<td>7</td>
<td>Divide line 6 by line 1. This is the new tax basis per share of your Pharmacia shares post spin-off</td>
<td>$ 46.95</td>
</tr>
<tr>
<td>8</td>
<td>Line 3 multiplied by line 5. <strong>This is the tax basis of the Monsanto shares that you were entitled to receive</strong></td>
<td>$ 305</td>
</tr>
<tr>
<td>9</td>
<td>Divide line 8 by line 2. This is the tax basis per share of the Monsanto shares that you were entitled to receive.(^4)</td>
<td>$ 17.88</td>
</tr>
</tbody>
</table>

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1 Please note that this calculation will need to be repeated for each block of shares of Pharmacia common stock in which you have a different tax basis.

2 This worksheet and the attached sample allocation assume that you held your shares of Pharmacia common stock continuously from the record date until the distribution date and that you did not sell shares of Monsanto common stock in the “when-issued trading” market.

3 If (i) this number is less than one and you are a registered holder of Pharmacia common stock or (ii) it is the policy and practice of your bank or brokerage firm to issue cash in lieu of fractional shares, you will receive a check in lieu of the fractional share.

4 If you received a check in lieu of a fractional share, this number multiplied by the decimal equivalent of such fractional share is the allocable tax basis for such fractional share.
Example of Calculation of Percentage of Tax Basis Allocable Among Pharmacia and Monsanto Shares

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Pharmacia</th>
<th>Monsanto</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>High stock price on distribution date (August 13, 2002)</td>
<td>$46.05</td>
<td>$16.62</td>
<td>N/A</td>
</tr>
<tr>
<td>2.</td>
<td>Low stock price on distribution date (August 13, 2002)</td>
<td>$44.57</td>
<td>$15.80</td>
<td>N/A</td>
</tr>
<tr>
<td>3.</td>
<td>Average of line 1 and line 2. Fair market value per share</td>
<td>$45.31</td>
<td>$16.21</td>
<td>N/A</td>
</tr>
<tr>
<td>4.</td>
<td>Distribution ratio</td>
<td>N/A</td>
<td>0.170593</td>
<td>N/A</td>
</tr>
<tr>
<td>5.</td>
<td>Monsanto line 3 multiplied by Monsanto line 4</td>
<td>N/A</td>
<td>$2.77</td>
<td>N/A</td>
</tr>
<tr>
<td>6.</td>
<td>Pharmacia line 3 less Monsanto line 5</td>
<td>$42.54</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7.</td>
<td>Carry down Pharmacia line 6 and Monsanto line 5</td>
<td>$42.54</td>
<td>$2.77</td>
<td>$45.31</td>
</tr>
<tr>
<td>8.</td>
<td>Percentage of tax basis allocable among Pharmacia and Monsanto shares (line 7 divided by total in line 7)</td>
<td>93.90%</td>
<td>6.10%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

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1 As described in the Information Statement distributed on or about August 1, 2002, there will be two markets for the shares of Pharmacia common stock and for the shares of Monsanto common stock during the period beginning two days prior to the record date and extending through, and including, the distribution date. During this period, the purchase of Pharmacia common stock in the “regular way” market will entitle the purchaser to receive the distribution of Monsanto common stock. For the purpose of this calculation, the stock prices on the distribution date reflect trading in the “regular way” markets for the two stocks.