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## Investor News

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“Meet Management” investor conference:

### **Bayer aspires to further sales and earnings growth through 2016**

- HealthCare: significant increases in sales and margins, mainly thanks to recently launched pharmaceutical products
  - CropScience aims to grow faster than the market and keep margin at a high level
  - MaterialScience expects improvement in profitability
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**Leverkusen, Germany, March 12, 2014** – The Bayer Group sees continuing good business prospects for the medium term. “We’re optimistic for all of our subgroups and see continuing potential for further sales and earnings growth in the medium term,” Bayer CEO Dr. Marijn Dekkers said on Wednesday at the “Meet Management” investor conference in Leverkusen. Sales and margin at Bayer HealthCare are planned to increase through 2016, mainly thanks to the recently launched pharmaceutical products. Over the same period, Bayer CropScience also intends to substantially grow its business, maintaining its margin at an industry-leading level. In an improved market environment, Bayer MaterialScience expects good sales and earnings momentum. These prospects are based on average exchange rates for the fourth quarter of 2013, including a rate of US\$1.36 to the euro.

“I’m particularly confident about our health care business thanks to the encouraging development of the five pharmaceutical products we have recently launched,” said Dekkers. At the end of February, Bayer raised the combined peak annual sales potential for these products to at least EUR 7.5 billion (previously: more than EUR 5.5 billion). Total sales of the anticoagulant Xarelto™, the eye medicine Eylea™, the cancer drugs Stivarga™ and Xofigo™ and the pulmonary hypertension drug Adempas™ (active ingredient: riociguat) are planned to reach around EUR 2.8 billion already in the current year. Bayer aims to grow Pharmaceuticals sales by an average of 8% annually through 2016 after adjusting for currency and portfolio effects (Fx & portfolio adj). The EBITDA

margin before special items in Pharmaceuticals is planned to reach at least 33% (2013: 31.2%).

The Consumer Health segment intends to raise sales by an average of 3% per year (Fx & portfolio adj.) through 2016 and achieve an EBITDA margin before special items of around 24% (2013: 23.8%). This performance is likely to be mainly driven by the non-prescription (OTC) medicines and animal health businesses. "Our goal remains to become the world leader in the OTC business," said Dekkers, pointing out that Bayer currently occupies the global number two position in this market.

Bayer HealthCare plans to increase total sales by an average of 6% a year (Fx & portfolio adj.) through 2016 and improve the EBITDA margin before special items to about 30% (2013: 28.2%).

"In the agricultural business, too, our growth expectations are based on innovative products," Dekkers continued. In the Crop Protection business, products launched since 2006 are predicted to achieve sales of about EUR 2.6 billion in 2016 (2013: EUR 1.5 billion). This subgroup plans to grow faster than the market through 2016, raising sales annually by an average of 6% (Fx & portfolio adj.). The EBITDA margin before special items is to be maintained at an industry-leading level of 24% to 25% (2013: 25.5%).

"At MaterialScience, we're cautiously optimistic for the future despite the difficult market environment we encountered last year," said Dekkers. The growth expected in the coming years and the resulting higher capacity utilization should ease the pressure on prices in the business with high-tech polymer materials. The ongoing efficiency measures are designed to add to the resulting improvement in profitability. The subgroup aims to earn its cost of capital again by 2016 at the latest.

"I am optimistic about Bayer's medium-term development overall," Dekkers concluded. He said Bayer intends to continue strengthening its position as a world-class innovation company that improves many people's lives with innovative products and solutions. That, he said, is what the company's mission "Bayer: Science For A Better Life" stands for.

## **Bayer: Science For A Better Life**

Bayer is a global enterprise with core competencies in the fields of health care, agriculture and high-tech polymer materials. As an innovation company, it sets trends in research-intensive areas. Bayer's products and services are designed to benefit people and improve their quality of life. At the same time, the Group aims to create value through innovation, growth and high earning power. Bayer is committed to the principles of sustainable development and to its social and ethical responsibilities as a corporate citizen. In fiscal 2013, the Group employed 113,200 people and had sales of EUR 40.2 billion. Capital expenditures amounted to EUR 2.2 billion, R&D expenses to EUR 3.2 billion. For more information, go to [www.bayer.com](http://www.bayer.com).

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### **Forward-Looking Statements**

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