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## Investor News

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### **Bayer cedes control of Covestro**

- A further 6.9 percent of Covestro shares sold for EUR 1 billion
  - Control termination agreement reached, effective September 30, 2017
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**Leverkusen, Germany, September 29, 2017** – Bayer has definitively ceded control of Covestro AG. Through the sale of a further 6.9 percent of Covestro shares for EUR 1 billion, the direct interest held by Bayer AG has now been reduced to 24.6 percent. In addition, Bayer Pension Trust continues to hold 8.9 percent. “Through the move, we have taken a major step toward our goal of achieving full separation from Covestro in the medium term,” said Werner Baumann, Chairman of the Board of Management.

The buyers have agreed to be bound by a lock-up arrangement pursuant to which they will not sell the shares they have just purchased until at least December 11, 2017. Due to agreements being in place, Bayer will retain the economic exposure to the price of these shares until at least the same date.

In addition, Bayer and Covestro have signed a control termination agreement, as part of which Bayer has undertaken to not exercise certain voting rights at the Covestro Annual Stockholders’ Meeting. This ensures that Covestro will no longer need to be fully consolidated in Bayer’s consolidated financial statements.

Covestro will be reported as a discontinued operation in Bayer’s financial reporting for the third quarter of 2017. For continuing operations, Bayer’s key data, such as sales, EBITDA before special items, EBIT and core earnings per share, will be adjusted retrospectively to exclude Covestro’s contributions. In addition, all assets and liabilities allocated to Covestro will not feature in Bayer’s statement of financial position as of September 30.

The remaining Covestro interest will be carried at the current market value, and, from October 1, 2017, will be accounted for using the equity method.

Bayer will revise its Group outlook for fiscal 2017 to reflect these changes and will publish it on October 26, 2017, as part of its third quarter reporting.

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**Forward-Looking Statements**

This news release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports, which are available on the Bayer website at [www.bayer.com](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

**Additional Information**

This press release constitutes neither an offer to sell nor a solicitation to buy any securities of Bayer, Covestro or their respective subsidiaries. The Covestro shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States of America absent registration or an applicable exemption from the registration requirements under the Securities Act.