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Investor News

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Bayer places 10.9 percent of Covestro's shares with institutional investors

Holding in Covestro reduced to 53.3 percent

Leverkusen, March 1, 2017 – Bayer AG has reduced its holding in Covestro from 64.2 percent to 53.3 percent. This was achieved by selling 22 million of its shares to institutional investors at a price of EUR 66.50 per share. Allocation of the shares took place yesterday, ownership will be transferred on Friday, March 3, 2017. "The successful placement of a large block of Covestro shares underscores capital market's confidence in this still young company," said Johannes Dietsch, Chief Financial Officer of Bayer AG. The company intends to use the proceeds of nearly EUR 1.5 billion to pay down debt.

The current forecast for core earnings per share of the Bayer Group for 2017 takes account of a 64.2 percent holding in Covestro. The holding is now 53.3 percent. Nevertheless, Bayer still expects a mid-single-digit percentage increase in core earnings per share from continuing operations in 2017.

Covestro will continue to be fully consolidated in Bayer's statement of financial position. In line with applicable accounting standards, Covestro will still be reported as an operating segment until Bayer cedes control of Covestro because it no longer has a majority at the annual stockholders' meeting.

Bayer: Science For A Better Life

Bayer is a global enterprise with core competencies in the Life Science fields of health care and agriculture. Its 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 2016, the Group employed around 115,200 people and had sales of EUR

46.8 billion. Capital expenditures amounted to EUR 2.6 billion, R&D expenses to EUR 4.7 billion. These figures include those for the high-tech polymers business, which was floated on the stock market as an independent company named Covestro on October 6, 2015. For more information, go to www.bayer.com.

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Forward-Looking Statements

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Additional Information

This press release constitutes neither an offer to sell nor a solicitation to buy any securities of Bayer, Covestro or their 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.