



Bayer AG Investor Relations 51368 Leverkusen Germany www.investor.bayer.com

# **Q4 2016 Analyst and Investor Briefing** February 22, 2017

#### Q4 2016:

- Sales at €11,820 million (+4.8% Fx & portf. adj.)
- All business segments except Crop Science contributed to sales growth
- EBIT at €789 million (-14.3%)
- Net special items in EBIT of minus €587 million mainly included impairment losses on intangible assets, charges in connection with efficiency improvement programs, and costs for the integration of acquired businesses. Further special charges were related to provisions for defense cost and the agreed acquisition of Monsanto.
- EBITDA before special items at €2,179 million (+13.7%)
- Core EPS from continuing operations at €1.19 per share (+10.2%)

### FY 2016

- Another record year for Bayer good progress with the acquisition of Monsanto
- Group sales €46.8 billion (Fx & portfolio adj. + 3.5%)
- Substantial sales and earnings increases at Pharmaceuticals
- Consumer Health grows with competition
- Crop Science successful in a difficult market environment
- EBITDA before special items €11.3 billion (+ 10.2%)
- Net income €4.5 billion (+ 10.2%)
- Core earnings per share €7.32 (+ 7.3%)
- Operating cash flow €8.3 billion (+ 20.8%)
- Forecast for 2017: further growth in sales and earnings

# Group Key Figures for Q4 2016 (continuing operations, unless stated differently)

Euro million	Q4 2015	Q4 2016	% у-о-у	Consensus**
Sales	11,285	11,820	4.7 / 4.8*	11,719
Volume	+5.6%	+3.4%	•	•
Price	-3.2%	+1.4%	•	•
Currency Portfolio	+2.3% +0.2%	-0.1% 0.0%	•	
EBITDA	1,878	1,914	1.9	1,904
Net special items (EBITDA)	(38)	(265)	•	(160)
EBITDA before special items	1,916	2,179	13.7	2,079
EBIT	921	789	(14.3)	1,095
Net special items (EBIT)	(116)	(587)	•	•
EBIT before special items	1,037	1,376	32.7	1,254
Financial result	(164)	(252)	(53.7)	(286)
Income taxes	(166)	(119)	28.3	•
Income after taxes from cont. operations	591	418	(29.3)	•
Income after taxes from discont. operations	(8)	89	•	74
Net income - total	613	453	(26.1)	626
EPS - cont. operations (Euro/share)	0.76	0.43	(43.4)	0.64
EPS - discont. operations (Euro/share)	(0.02)	0.10	•	•
EPS - total (Euro/share)	0.74	0.53	(28.4)	•
Core EPS - cont. operations (Euro/share)	1.08	1.19	10.2	1.23
Core EPS - discont. operations (Euro/share)	0.00	0.10	•	•
Core EPS - total (Euro/share)	1.08	1.29	19.4	•



## Group Key Figures for Q4 2016 (continuing operations, unless stated differently) cont.

Euro million	Q4 2015	Q4 2016	% у-о-у
Delta working capital	525	1,404	167.4
Operating cash flow - cont. operations	1,925	2,678	39.1
CapEx - cont. operations (cash relevant)	913	970	6.2
Operating cash flow from discont. operations	(48)	54	•
Euro million	Sept. 30, 2016	Dec. 31, 2016	
Net financial debt	15,801	11,778	
Net pension liability	14,467	11,108	

<sup>2015</sup> figures restated

# **Bayer Group Forecast 2017**

The following forecast is based on the current business development, taking into account the potential risks and opportunities. It is based on the exchange rates at the closing date on December 31, 2016, including rates of US\$1.05 to the euro. A 1% appreciation (depreciation) of the euro against all other currencies would decrease (increase) sales on an annual basis by some €300 million and EBITDA before special items by about €80 million.

#### **Bayer Group**

The Board of Management expects the positive development of the Bayer Group to continue in fiscal 2017. Sales of the Bayer Group including Covestro are targeted to increase to more than €49 billion. This corresponds to a low- to mid-single-digit percentage increase on a currency- and portfolio-adjusted basis. EBITDA before special items is forecast to grow by a mid-single-digit percentage. We aim to grow core earnings per share from continuing operations by a mid-single-digit percentage as well. It should be noted that only 64% of Covestro will be reflected for the full year 2017. In addition, it should be noted that the weighted average number of shares has increased following the placement of the mandatory convertible notes in November 2016.

#### Life Sciences total

We plan sales of approximately €37 billion for the Life Science businesses. This corresponds to a mid-single-digit percentage increase on a currency- and portfolio-adjusted basis. EBITDA before special items is targeted to rise by a mid- to high-single-digit percentage.

#### **Pharmaceuticals**

At Pharmaceuticals, we expect sales of more than €17 billion. This corresponds to a mid-single-digit percentage increase on a currency- and portfolio-adjusted basis. We plan to raise sales of our key growth products Xarelto, Eylea, Stivarga, Xofigo and Adempas to more than €6 billion. We expect a high-single-digit percentage increase in EBITDA before special items. We aim to improve the EBITDA margin before special items.

<sup>\*)</sup> Currency and portfolio adjusted sales growth

<sup>\*\*)</sup> Consensus figures as of January 26, 2017 provided by Vara Research GmbH



#### **Consumer Health**

In the Consumer Health segment, we expect sales to come in at more than €6 billion. We plan to grow sales by a low- to mid-single-digit percentage on a currency- and portfolio-adjusted basis, in line with expected market growth. We expect EBITDA before special items to increase by a low- to mid-single-digit percentage.

#### **Crop Science**

For Crop Science we are assuming sales of more than €10 billion. This corresponds to a low-single-digit percentage increase on a currency- and portfolio-adjusted basis. We expect EBITDA before special items to be at the prior-year level.

#### **Animal Health**

In the Animal Health segment, we expect a currency- and portfolio-adjusted increase in sales by a low- to midsingle-digit percentage. We plan to raise EBITDA before special items by a high-single-digit percentage.

#### Reconciliation

For the Reconciliation, we expect sales of around €1 billion in 2017. We plan EBITDA before special items in the region of minus €0.2 billion.

#### Covestro

For 2017, Covestro is budgeting a sales increase. EBITDA after adjustment for special items should be on or above the prior-year level.

#### **Further Key Data for the Bayer Group**

In 2017, we expect to take special charges in EBITDA in the region of €0.5 billion for the Bayer Group as a whole. Most of this amount is accounted for by costs in connection with the agreed acquisition of Monsanto and with restructuring and efficiency improvement measures. We aim to increase research and development spending to €4.8 billion. Capital expenditures will amount to about €2.5 billion for property, plant and equipment and around €0.4 billion for intangible assets.

Depreciation and amortization are estimated at about €2.9 billion, including €1.4 billion in amortization of intangible assets. We also predict a financial result of around minus €1.4 billion. The effective tax rate is likely to be about 23%. Excluding capital and portfolio measures, net financial debt is targeted to be around €10 billion at the end of 2017.

Further details of the business forecast are provided in Chapter 3.1 of the Combined Management Report in our Annual Report 2016.





## Pharmaceuticals in Q4 2016

Euro million	Q4 2015	Q4 2016	% у-о-у
Sales	3,986	4,275	7.3 / 7.1*
EBITDA before special items	1,085	1,217	12.2
EBITDA-margin before special items	27.2%	28.5%	

Consensus**
4,274
1,216
28.5%

# **Best Selling Pharmaceutical Products**

Euro million	Q4 2015	Q4 2016	% y-o-y	% y-o-y	FY 2015	FY 2016	% y-o-y	% y-o-y
				Fx				Fx
Xarelto	650	836	28.6	27.9	2,252	2,928	30.0	30.8
of which USA	122	161	32.0	32.6	393	489	24.4	24.5
Eylea	354	426	20.3	20.9	1,228	1,625	32.3	33.0
of which USA	0	0	•	•	0	0	•	•
Kogenate / Kovaltry	286	288	0.7	0.4	1,155	1,166	1.0	1.1
of which USA	92	106	15.2	13.7	370	394	6.5	6.0
Mirena product family	226	268	18.6	17.2	968	1,043	7.7	8.8
of which USA	141	178	26.2	23.4	639	701	9.7	9.3
Nexavar	231	224	(3.0)	(3.7)	892	870	(2.5)	(1.6)
of which USA	84	80	(4.8)	(6.6)	324	312	(3.7)	(4.0)
Betaferon / Betaseron	190	185	(2.6)	(2.9)	824	734	(10.9)	(9.9)
of which USA	84	94	11.9	10.2	394	386	(2.0)	(2.1)
YAZ product family	168	159	(5.4)	(4.5)	706	678	(4.0)	` 0.1
of which USA	25	21	(16.0)	(14.7)	134	128	(4.5)	(4.4)
Adalat	152	147	`(3.3 <b>)</b>	` 0.Ó	633	624	(1.4)	` 2. <b>7</b>
of which USA	1	0	` .	•	4	1	`	•
Aspirin Cardio	131	135	3.1	5.8	524	538	2.7	7.4
of which USA	0	0	•	•	0	0	•	•
Glucobay	142	123	(13.4)	(9.8)	523	515	(1.5)	3.3
of which USA	1	1	` é	` é	2	3	` é	•
Avelox / Avalox	85	81	(4.7)	(0.2)	379	353	(6.9)	(2.0)
of which USA	-2	1	` .	` é	2	5	` é	` •
Gadavist / Gadovist	79	88	11.4	11.0	290	346	19.3	19.7
of which USA	21	24	14.3	14.5	86	104	20.9	20.5
Xofigo	69	90	30.4	29.7	257	331	28.8	29.3
of which USA	47	59	25.5	25.7	182	225	23.6	23.6
Ultravist	83	80	(3.6)	(1.9)	318	316	(0.6)	3.5
of which USA	2	2	` ,	(2.5)	6	6	` .	1.2
Stivarga	77	77	0.0	(2.2)	313	275	(12.1)	(11.7)
of which USA	43	42	(2.3)	(6.9)	181	142	(21.5)	(22.0)

<sup>%</sup>y-o-y Fx: Currency adjusted sales growth

- Price -0.1%, volume +7.2%, currency +0.2%, portfolio ±0.0%
- Our key growth products products showed continued strong development. Xarelto, Eylea, Xofigo, Stivarga and Adempas posted total combined sales of €1,499 million (Q4 2015: €1,201 million; Fx adj. +24.3%). Our Pharmaceuticals business expanded in all regions on a currency-adjusted basis.

<sup>2015</sup> figures restated

<sup>\*)</sup> Currency and portfolio adjusted sales growth
\*\*) Consensus figures as of January 26, 2017 provided by Vara Research GmbH



- Xarelto posted strong sales growth mainly driven by business expansion in Europe and Japan. We also registered encouraging gains in the U.S., where it is marketed by a subsidiary of Johnson & Johnson.
- We considerably raised sales of Eylea, due particularly to good business performance in Europe.
- Sales development of Kogenate / Kovaltry was flat in the quarter.
- Sales gains for the Mirena product family were mainly due to positive price development in the U.S. and the launch of Kyleena in the U.S.
- Business with Nexavar was down against the prior-year level, particularly as a result of increased competitive pressure in the U.S.
- Sales of Betaferon / Betaseron receded, mainly because of a weaker business performance in Europe which was only partly compensated by sales increases in the U.S.
- Sales of the YAZ product family were down mainly as a result of generic competition in Europe and the U.S.
- Sales growth of Adalat was affected by lower prices in China.
- Growth in sales of Aspirin Cardio was largely attributable to the business in China.
- Business with Glucobay was impacted by generic competition.
- Sales of Avalox / Avelox were level with the prior year quarter. Decline in Europe was compensated by higher demand in China.
- The growth in sales of Gadavist / Gadovist was attributable to volume gains in Japan and the U.S.
- Sales of Xofigo were mainly driven by business expansion in the U.S. and Europe as well as by the launch in Japan.
- Sales declines of Ultravist in Europe were only partly compensated by business expansion in Emerging
- Sales of Stivarga receded mainly due to competition in the U.S.
- Sales of Adempas amounted to €70 million (Q4 2015: €51 million; Fx adj. +36.3%) and, as previously, reflected the proportionate recognition of the one-time payment resulting from the sGC collaboration with Merck & Co. Business developed positively, especially in the United States.
- **EBITDA before special items** increased mainly due to positive business expansion and despite higher investments in R&D as well as higher selling expenses.

#### Consumer Health in Q4 2016

Euro million	Q4 2015	Q4 2016	% у-о-у
Sales	1,506	1,539	2.2 / 4.4*
EBITDA before special items	385	372	(3.4)
EBITDA-margin before special items	25.6%	24.2%	

Consensus**
1,529
400
26.2%

- Price +2.9%, volume +1.5%, currency -2.2%, portfolio ±0.0%
- Business at Consumer Health developed positively in all regions in the quarter.
- EBITDA before special items declined following higher cost of goods sold as well as higher marketing costs, mainly supporting the newly acquired brands.

<sup>2015</sup> figures restated

<sup>\*)</sup> Currency and portfolio adjusted sales growth
\*\*) Consensus figures as of January 26, 2017 provided by Vara Research GmbH





# **Crop Science in Q4 2016**

Euro million	Q4 2015	Q4 2016	% y-o-y
Sales	2,405	2,404	0.0 / (1.6)*
Crop Protection / Seeds	2,230	2,224	(0.3) / (1.8)*
Environmental Science	175	180	2.9 / 1.1*
EBITDA before special items	347	351	1.2
EBITDA-margin before special items	14.4%	14.6%	

Consensus**	
2,461	
•	
•	
301	
12.2%	

2015 figures restated

<sup>\*\*)</sup> Consensus figures as of January 26, 2017 provided by Vara Research GmbH

Q4 2016	Europe / Middle East / Africa		North America		Asia/Pacific		Latin America	
Q4 2010	Euro million	% y-o-y Fx	Euro million	% y-o-y Fx	Euro million	% y-o-y Fx	Euro million	% y-o-y Fx
Crop Science	431	(7.0)	527	18.5	384	2.5	1,062	(8.6)

2015 figures restated

%y-o-y Fx: Currency adjusted sales growth

- Price -1.2%, volume -0.4%, currency +1.6%, portfolio ±0.0%
- Crop Protection down 3.1% (Fx & portf. adj.) at €1,965 million. Herbicides with sales of €599 million, -8.5% Fx & portf. adj.), Fungicides at €679 million, -0.9% Fx & portf. adj., Insecticides at €386 million, -11.4% Fx & portf. adj.) and SeedGrowth at €301 million, +18.7% Fx & portf. adj.
- Strong performance of our **Seeds** business (€259 million, +10.4% Fx & portf. adj.) mainly driven by soybean seeds
- Sales at Environmental Science increased slightly (€180 milion, +1.1% Fx & portf. adj).
- The sales decline in Europe / Middle East / Africa was mainly driven by Herbicides and Fungicides.
   Insecticides were on prior-year level. Sales of SeedGrowth increased mainly as a result of strong demand for winter cereals. Growth in Seeds was driven by vegetable seeds. Business at Environmental Science developed positively.
- In North America, we achieved strong sales growth at Fungicides, Herbicides and SeedGrowth whereas
  Insecticides declined significantly due mainly to lower pest pressure and loss of registration for our product
  Belt. Seeds benefited from higher demand especially for soybean seeds. Sales at Environmental Science
  increased slightly.
- In the Asia / Pacific region, an increase in sales at Fungicides and Insecticides more than offset declines at Herbicides and SeedGrowth. Sales at Seeds developed positively, driven by rice seed. Sales at Environmental Science receded.
- In the Latin America region, sales decreased significantly driven by declines at Insecticides, Herbicides, Fungicides and Seeds mainly due to the difficult market situation in Brazil. Business at SeedGrowth expanded as a result of growing corn areas in Brazil and Argentina. Sales at Environmental Science were on prior-year level.
- **EBITDA before special items** increased slightly. Lower selling prices and higher R&D expenses were compensated by a positive currency effect of €83 million.

<sup>\*)</sup> Currency and portfolio adjusted sales growth





## **Animal Health in Q4 2016**

Euro million	Q4 2015	Q4 2016	% у-о-у
Sales	319	329	3.1 / 3.1*
EBITDA before special items	41	38	(7.3)
EBITDA-margin before special items	12.9%	11.6%	

Consensus**
332
43
13.0%

- Price +4.1%, volume -1.0%, currency ±0.0%, portfolio ±0.0%
- A positive sales development was noted especially in the Asia / Pacific region. We also recorded sales increases in North America while business in Europe / Middle East / Africa and in Latin America declined.
- **EBITDA before special items** declined due especially to higher marketing cost.

## Life Sciences in Q4 2016

Euro million	Q4 2015	Q4 2016	% у-о-у
Sales	8,511	8,823	3.7 / 3.6*
EBITDA before special items	1,659	1,806	8.9
EBITDA-margin before special items	19.5%	20.5%	

Consensus\*\* 8,868 1,786 20.1%

#### Covestro in Q4 2016

Euro million	Q4 2015	Q4 2016	% y-o-y
Sales EBITDA before special items	2,774 257	2,997 373	8.0 / 8.6* 45.1
EBITDA-margin before special items	9.3%	12.4%	

Consensus\*\* 2,851 300 10.5%

- Price +4.6%, volume +4.0%, currency -0.6%, portfolio ±0.0%
- At Covestro, volumes and selling prices were up year on year overall.
- The increase in **EBITDA** before special items resulted mostly from a more favorable supply-demand situation with a positive impact on margin and higher volumes.

The Annual Report 2016 is available at: http://www.annualreport2016.bayer.com/

<sup>\*)</sup> Currency and portfolio adjusted sales growth
\*\*) Consensus figures as of January 26, 2017 provided by Vara Research GmbH

<sup>2015</sup> figures restated

<sup>\*)</sup> Currency and portfolio adjusted sales growth
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\*\*) Consensus figures as of January 26, 2017 provided by Vara Research GmbH



# **Key Figures for Q4 2016**

Action         Cut16         Out16         Out16         Out16         Out16         Out16         Out16         Cut16         Cut16 <t< th=""><th></th><th>Pharmac</th><th>Pharmaceuticals</th><th>Consume</th><th>nmer Health</th><th>Crop Science</th><th>cience</th><th>Animal Health</th><th>Health</th><th>Reconciliation</th><th>liation</th><th>Life Sciences</th><th>ences</th><th>Covestro</th><th>stro</th><th>Group</th><th>d</th></t<>		Pharmac	Pharmaceuticals	Consume	nmer Health	Crop Science	cience	Animal Health	Health	Reconciliation	liation	Life Sciences	ences	Covestro	stro	Group	d
C millor		04'15	04.16	04'15	04.16	04'15	Q4'16	04'15	04.16	04'15	04.16	Q4'15	04.16	04'15	04.16	04'15	04.16
yreagonary (a case)		€ million		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
10   10   10   10   10   10   10   10	Sales	3,986		1,506	1,539	2,405	2,404	319	329	295	276	8,511	8,823	2,774	2,997	11,285	11,820
Michaele East Africa   1584   1684   489   489   480   481   481   491	Sales by region:											Î					
America 917 1410 630 649 438 527 122 129 129 179 179 671 189 179 179 179 179 179 179 179 179 179 17	Europe / Middle East / Africa	1,618		490	499	470	431	91	84	274	264	2,943	2,962	1,132	1,104	4,075	4,066
Pedefice the pedial items	North America	972		630	649	438	527	122	129	-	-	2,163	2,413	672	671	2,835	3,084
America	Asia / Pacific	1,121		188	194	365	384	19	79	4	2	1,745	1,862	798	1,038	2,543	2,900
DAy before special items	Latin America	275		198	197	1,132	1,062	39	37	16	6	1,660	1,586	172	184	1,832	1,770
Second literary   Control lite	EBITDA	949		333	334	642	314	33	34	-208	-206	1,749	1.541	129	373	1.878	1914
DA before special items	Special items	-136		-52	-38	295	-37	φ	4	6-	-34	06	-265	-128	0	-38	-265
DAmargin before special tiems	EBITDA before special items	1,085		385	372	347	351	41	38	-199	-172	1,659	1,806	257	373	1,916	2,179
before special items	EBITDA margin before special items	27.2%		25.6%	24.2%	14.4%	14.6%	12.9%	11.6%	-67.5%	-62.3%	19.5%	20.5%	9.3%	12.4%	17.0%	18.4%
before special items 759 310 5.5 199 301 301 30 301 30 301 30 301 30 301 30 301 30 301 30 30 301 30 30 30 30 30 30 30 30 30 30 30 30 30	EBIT	569		194	68	491	153	14	25	-268	-266	1,000	586	-79	203	921	789
before special tiems	Special items	-190		-55	-199	301	-39	-19	5	6-	-34	28	-587	-144	0	-116	-587
margin before special items         19 0%         21.4%         16.5%         17.3%         7.9%         80%         10.3%         91.%         81.3%         81.3%         84.1%         11.4%         13.3%         2.3%         6.8%           ating cash flow         911         1,326         140         221         175         622         43         85         53         .54         1,322         2,000         603         678           rical result         realter taxes from continuing operations         1         221         175         221         175         221         175         221         175         230         603         678           rical result         rical result         1         221         175         221         175         221         175         230         603         678           rical result         rical result         1         1         2         2         2         2         2         2         2         2         6         <	EBIT before special items	759		249	267	190	192	33	30	-259	-232	972	1,173	65	203	1,037	1,376
ating cash flow 911 1,326 140 221 175 622 43 85 53 .254 1,322 2,000 603 678 (578 1) 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	EBIT margin before special items	19.0%		16.5%	17.3%	7.9%	8.0%	10.3%	9.1%	-87.8%	-84.1%	11.4%	13.3%	2.3%	%8.9	9.5%	11.6%
rical result         re after taxes from continuing operations         re after taxes from continuing operations (€)         rigs per share - continuing operations (€)         rigs per share - discontinued operations (€)         rigs per share - discontinued operations (€)         earnings per share (§)         earnings per share (§)         earnings per share (§)         and Write-downs       379         40,504       40,903       13,513       12,208       22,399       3,804       20,322       100,813       99,592       1770       15,778	Operating cash flow	911		140	221	175	622	43	85	53	-254	1,322	2,000	603	678	1,925	2,678
re after taxes from continuing operations re after taxes from discontinued operations re arrivings per share - discontinued op	-inancial result															-164	-252
Per after taxes from discontinued operations (€)  respect taxes from discontinued operations (€)  respect share - continuing operations (€)  respect to the share (€)  respect	ncome after taxes from continuing opera	ations														501	418
ngs per share - continuing operations (€)  ngs per share - discontinued operations (€)  ngs per share - discontinued operations (€)  earnings per share (€)  earnings per sha	ncome after taxes from discontinued ope	erations														8	89
ngs per share - continuing operations (€)       ngs per share - continuing operations (€)       ngs per share - discontinued operations (€)       ngs per share - discontinued operations (€)       ngs per share - continuing operations (€)       ngs per share - continuing operations (€)       ngs per share - discontinued operations (€)       ngs per share (№)	Vet income															613	453
ngs per share - discontinued operations (€)       aearnings per share (€)       aearni	Earnings per share - continuing operation	ons (€)														0.76	0.43
ngs per share (€) earnings per share - continuing operations (€) earnings per share - discontinued operations (€) earnings per share (€)  Earnings per	Earnings per share - discontinued opera	ations (€)														-0.02	0.10
earnings per share - continuing operations (€) earnings per share (€) earnings per share (€) earnings per share (€)  Earnings	Earnings per share (€)															0.74	0.53
earnings per share e discontinued operations (€)  Earnings per share (E)  Earn	Core earnings per share - continuing ope	erations (€)														1.08	1.19
earnings per share (€)  IX (cash effective)  and Write-downs  379  40,504  40,093  13,513  12,821  23,268  23,268  23,268  23,268  23,399  3,804  3,957  19,724  20,322  100,813  955  208  170  16,778  16,778  16,778  16,778  16,778  16,778  16,778  16,778  16,778  16,778  16,778  16,778  16,778  17,77	Core earnings per share - discontinued	operations (€	()													0.00	0.10
x (cash effective)       and Write-downs       379       459       140       266       151       161       19       60       60       60       749       955       208       170         oyees at end of period       40,504       40,093       13,513       12,821       23,288       22,399       3,804       3,957       19,724       20,322       100,813       99,592       15,770       15,578	Core earnings per share (€)															1.08	1.29
and Write-downs 379 459 140 266 151 161 19 9 60 60 749 9552 208 170 15,770 15,578 oyees at end of period 40,504 40,003 13,513 12,821 23,268 22,399 3,804 3,957 19,724 20,322 100,813 99,592 15,770 15,578	CapEx (cash effective)		,													913	970
s 379 459 140 286 151 16 16 19 6 6 6 749 8959 1770 19,724 20,322 100,813 99,592 15,770 15,578	3&D															1,256	1,313
period 40,504 40,093 13,513 12,821 23,268 22,399 3,804 3,957 19,724 20,322 100,813 99,592 15,770 15,578	0&A and Write-downs	379		140		151	161	19	6	09	09	749	955	208	170	957	1,125
	Employees at end of period	40,504		13,513		23,268	22,399	3,804	3,957	19,724	20,322	100,813	99,592	15,770	15,578	116,583	115,170



# **Key Figures for FY 2016**

Chilating Parising   First	Parisity		Pharmaceuticals	euticals	Consume	umer Health	Crop Science	ience	Animal Health	leaith	Reconciliation	liation	Life Sciences	secue	Covestro	stro	Group	dn
Figure   Finish   F	Family   F		FY'15	FY'16	FY'15	FY'16	FY'15	FY'16	FY'15	FY'16	FY'15	FY'16	FY'15	FY'16	FY'15	FY'16	FY'15	FY'16
15,006   64,005   6,007   6,003   10,108   9,915   1,490   1,503   1,101   1,104   3,4103   3,4103   1,962   1,106   1,1070   1	15.306   16.420   20.07   20.02   20		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ millior
Operation         Spiral         4170         445         1,028         929         12,779         4,006         4,007         4,007         1,007         4,008         2,009         4,009         1,007 <t< td=""><td>Purplicary  Purplicary  Purpli</td><td>Sales</td><td>15,308</td><td>16,420</td><td>6,076</td><td>6,037</td><td>10,128</td><td>9,915</td><td>1,490</td><td>1,523</td><td>1,101</td><td>1,048</td><td>34,103</td><td>34,943</td><td>11,982</td><td>11,826</td><td>46,085</td><td>46,769</td></t<>	Purplicary  Purpli	Sales	15,308	16,420	6,076	6,037	10,128	9,915	1,490	1,523	1,101	1,048	34,103	34,943	11,982	11,826	46,085	46,769
before special tierrs  2 9 9 7 477	before special terms	Sales by region:		V Transpirent Control of Control		-				-				**				
America S S S S S S S S S S S S S S S S S S S	America 3937 4149 2655 2870 2616 285  627  77  7  20  7	Europe / Middle East / Africa	5,981	6,417	1,955	1,918	3,368	3,290	447	445	1,028	992	12,779	13,062	4,928	4,761	17,707	17,823
Production   4 319   4 775   728   721   1500   1546   205   300   14   9   6 886   7402   7402   750   75	Peacific         4314         4316         736         1589         1589         1489         4318         3377         3469         6489         4402         728         4402         728         4402         728         4402         728         4402         738         4702         4402         728         728         4402         728         4402         728         728         4402         728         4402         728         4402         728         4402         728         728         4402         728	North America	3,937	4,194	2,635	2,627	2,570	2,616	587	621	7	8	9,736	10,066	2,885	2,740	12,621	12,806
Annerica 1,071 1,034 7,14 1,26 2,24 1,11 2,6 0. 2,4 1 1,1 1,1 1,1 1,1 1,1 1,1 1,1 1,1 1,1	America 1,071 1,034 7,14 2,600 2,441 11,1 157 5.2 3,4 7,0 2,4 0.2 1,2 0.0 1,2	Asia / Pacific	4,319	4,775	738	781	1,530	1,548	285	300	14	6	6,886	7,413	3,377	3,619	10,263	11,032
OA before special lierns         4,375         5,084         1,222         1,286         2,280         317         343         337         202         8,205         8,001         1,368         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         3,984         1,984         1,984         9,573         1,984         1,984         9,573         1,984         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         1,984         9,573         2,984         2,984         2,298         2,208         2,208         3,144         5,094         1,785         2,248         2,398         2,448         2,338         2,448         2,338         2,448         2,338         2,448         2,338         2,448         2,338         3,454         3,148         3,474         3,308         3,454         3,148         3,148         3,148         3,148         3,148         3,148         3,148         3,148         3,148         3,148	DAA         DAA         A 375         5 084         1 222         1 437         2 222         1 44         30         3 14         3 92         5 17         2 30         6 17         2 30         3 17         2 30         3 17         2 32         1 44         3 0         4 37         3 0         3 15         3 22         4 14         3 0         4 8 30         3 14         3 0         3 15         3 14         3 14         3 0         3 14         3 0	Latin America	1,071	1,034	748	711	2,660	2,461	171	157	52	39	4,702	4,402	792	200	5,494	5,108
State   Stat	State   Stat	BITDA	4375	5 084	1 222	1 296	2 628	2.280	317	343	337	200-	8 205	8 801	1368	1 984	9 573	10 785
DA before special items	DA before special tiems         4 616         5.261         1.456         1.416         2.401         2.408         2.408         2.408         2.408         2.408         2.408         2.409         2.209         2.708         1.109         8.597         9.318         1.659         1.984         10.259           DA margin before special tiems         30.28         32.0%         2.408         2.436         2.296         2.209         2.708         1.109         88         447         1.099         88         457         1.098         6.227         1.099         88         457         1.098         8.50         6.826         967         1.004         8.53         1.006         987         1.876         1.828         479         2.09         2.409         1.876         1.878         1.998         487         1.009         88         487         1.008         88         487         1.008         88         487         1.008         88         487         1.008         88         487         1.008         88         487         1.008         88         487         1.008         88         487         1.008         88         487         1.008         88         487         1.008         88	Special items	-241	-167	-234	-115	222	-141	-30	9	-109	88-	-392	-517	-291	0	-683	-517
DA margin before special litems 30.2% 32.0% 24.0% 23.8% 24.4% 23.3% 22.9% 20.7% 10.9% 25.2% 26.7% 13.8% 15.8% 15.8% 22.3% 22.3% 24.4% 23.3% 22.9% 20.7% 10.9% 25.2% 26.7% 13.8% 16.8% 22.3% 26.2% 26.4% 23.2% 26.2% 26.7% 13.8% 16.8% 22.3% 26.2% 26.4% 23.2% 24.4% 23.3% 22.9% 24.4% 23.3% 22.9% 24.4% 23.2% 24.4% 24.4% 23.2% 24.2	DAmargin before special tierns	BITDA before special items	4,616	5,251	1,456	1,411	2,406	2,421	347	349	-228	-114	8,597	9,318	1,659	1,984	10,256	11,302
3,028   3,389   768   6985   2,094   1,785   254   313   5,598   417   5,606   5,738   6,313   4,27   4,109	3   20   20   20   20   20   20   20	EBITDA margin before special items	30.2%	32.0%	24.0%	23.4%	23.8%	24.4%	23.3%	22.9%	-20.7%	-10.9%	25.2%	26.7%	13.8%	16.8%	22.3%	24.2%
before special tierns	before special tierns 3,327 3,947 1,005 897 1,872 1,898 316 320 4,29 320 6,826 967 1,304 7,000 attractive percentifierns 2,17% 24,0% 16,5% 16,3% 16,5% 19,1% 2,13% 21,0% 30,0% 31,1% 17,9% 19,5% 19,1% 2,13% 2,10% 31,1% 17,9% 19,5% 19,1% 2,13% 2,10% 31,1% 17,9% 19,5% 19,1% 2,13% 2,10% 31,1% 17,9% 19,1% 2,13% 2,10% 31,1% 17,9% 19,5% 19,1% 2,13% 2,10% 31,1% 17,9% 19,5% 19,1% 2,13% 2,10% 31,1% 17,9% 19,1% 2,13% 2,13% 2,10% 31,1% 17,9% 19,1% 2,13% 2,13% 2,10% 31,1% 17,9% 19,1% 2,13% 2,13% 2,10% 31,1% 17,9% 19,1% 2,13%	EBIT	3,028	3,389	768	695	2,094	1,755	254	313	-538	-414	5,606	5,738	635	1,304	6,241	7,042
before special tiems 3,327 3,947 1,005 987 1,878 1,878 318 320 4.29 326 6,036 6,826 967 1,304 7,066 margin before special tiems 21,7% 24,0% 16,5% 16,3% 18,5% 19,1% 21,3% 21,0% 31,1% 17,9% 19,1% 19,	before special tiems 3327 3947 1005 987 1872 1889 318 320 429 6093 6809 680 97 1304 7060 margin before special tiems 217% 24 0% 16.5% 16.3% 18.5% 19.7% 21.0	special items	-299	-558	-237	-292	222	-143	-64	7-	-109	-88	-487	-1,088	-332	0	-819	-1,088
margin before special terms	margin before special tierns	:BIT before special items	3,327	3,947	1,005	786	1,872	1,898	318	320	-429	-326	6,093	6,826	296	1,304	7,060	8,130
ating cash flow 3,157 3,368 816 874 749 2,071 348 193 314 .77 5,384 6,435 1,452 1,824 6,836 1,005 1,00	ating cash flow 3,157 3,368 816 874 749 2,071 348 193 314 77 5,384 6,435 1,452 1,824 6,836 1,1006 1,	BIT margin before special items	21.7%	24.0%	16.5%	16.3%	18.5%	19.1%	21.3%	21.0%	-39.0%	-31.1%	17.9%	19.5%	8.1%	11.0%	15.3%	17.4%
re after taxes from continuing operations       -1,006         re after taxes from continuing operations       4,013         re after taxes from discontinued operations       4,013         re after taxes from discontinued operations (€)       4,110         re after taxes from discontinued operations (€)       4,110         re activity of the strate (a) search (b) ags per strate (b) earnings per strate (c) earnings per st	re after taxes from continuing operations       1,3005         re after taxes from continuing operations       4,013         re after taxes from discontinued operations (e)       4,013         re after taxes from discontinued operations (e)       4,100         re after taxes from discontinued operations (e)       4,100         re activity of the state (e)       4,100         rearnings per share - discontinued operations (e)       4,100         rearnings per share (e)       6,82         cearnings per share (f)       6,82         cearnings per share (f)       6,82         cearnings per share (f)       6,82         cannings per share (f)       6,82         cearnings per share (f)       6,82         cannings per share (f)       6,82         ca	perating cash flow	3,157	3,368	816	874	749	2,071	348	193	314	-71	5,384	6,435	1,452	1,824	6,836	8,259
re after taxes from continuing operations       4,013       4,013       4,013       4,013       4,110	re after taxes from continuing operations       4,013       4,013       4,013       4,013       4,013       4,010	inancial result		( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )						ACCESSION NAMED OF THE PARTY OF							-1,005	-1,156
e after taxes from discontinued operations continued operations (€)  roome  roome  roome  roome  roome  roome  roome  roop per share - continuing operations (€)  roop sper share - discontinued operations (€)  roo	re after taxes from discontinued operations continued operations (€)  rocome	come after taxes from continuing opera	ations			*		***************************************		***************************************	-	***	,				4.013	4.558
rcome       4,110         ngs per share - continuing operations (€)       4,110         ngs per share - discontinued operations (€)       6,82         earnings per share (€)       6,82         earnings per share (€)       6,82         earnings per share (€)       6,95         earnings per share (€)       7,347         and Write-downs       7,347         and Write-downs       7,347         and Write-downs       7,347         and Write-downs       7,390       3,063         733       680	rcome       4,110         ngs per share - continuing operations (€)       1,347       4,65       4,27       4,110         ngs per share - continuing operations (€)       1,347       1,695       454       682       4,97         earnings per share - discontinued operations (€)       2,534       2,534       2,534       2,534       4,97         earnings per share - discontinued operations (€)       3,347       1,347       1,695       454       601       534       525       63       5,511         and Write-downs       1,347       1,695       13,513       12,821       23,2399       3,804       3,957       19,770       15,578       116,583       116	come after taxes from discontinued oper	erations	-				***************************************	-	***	-			*** ***********************************	-		85	268
ngs per share - continuing operations (€)       487         ngs per share - continuing operations (€)       0.10         ngs per share - discontinued operations (€)       6.82         earnings per share - continuing operations (€)       6.82         earnings per share - discontinued operations (€)       6.95         earnings per share (€)       2.511         earnings per share (€)       2.511         and Write-downs       1,347       4,274         and Write-downs       1,347       6.95       3,063       733       680       3,332	ngs per share - continuing operations (€)         ngs per share - continuing operations (€)         ngs per share - discontinued operations (€)         earnings per share (€)         extractional special share (€)         extractional special share (€)         and Witte-downs       1,347       1,695       454       601       534       625       63       306       3,306       3,306       3,274         and Witte-downs       40,093       13,513       12,821       23,268       3,804       3,957       19,724       20,322       10,0813       11,6,583	let income															4,110	4,531
ngs per share - discontinued operations (€)       0.10       4.97         earnings per share (€)       earnings per share (€)       6.82         earnings per share (€)       earnings per share (€)       6.95         ex (cash effective)       2.511         and Write-downs       4.574       601         534       525       63       30       201       212       2,599       3,063       733       680       3,332	ngs per share - discontinued operations (€)       and Write-downs       6.52       and Write-downs       6.52       a.52       a.52       a.52       a.53       a.51       a.52       a.53       a.51       a.53       a.51       a.53       a.53       a.51       a.53	arnings per share - continuing operation	ıns (€)					***************************************							***************************************		4.87	5.12
ngs per share (€)       earnings per share (€)       4.97         earnings per share - continuing operations (€)       earnings per share (€)       0.13         examings per share (€)       xx (cash effective)       6.95         xx (cash effective)       4.274         and Write-downs       4.64       601       534       526       63       30       201       212       2,599       3,063       733       680       3,332	agramings per share (continuing operations (e) earnings per share - continuing operations (e) earnings per share - discontinued operations (e) earnings per share (f) earnings	armings per share - discontinued opera	ıtions (€)														0.10	0.32
earnings per share - continuing operations (€) earnings per share (€)  Earnings per share (€)  Earnings per share (€)  Extractable effective)  Extractable effective eff	earnings per share - continuing operations (€) earnings per share (€)  Ex (cash effective)  The downs at end of period of the continuing operations (€)  Ex (cash effective)  Ex	:amings per share (€)															4.97	5.44
earnings per share - discontinued operations (€)  Earnings per share (€)  Ex (cash effective)  This and Write-downs 1,347 1,695 454 601 534 525 63 30 201 212 2,599 3,063 733 680 3,332	earnings per share e discontinued operations (€)  Ex (cash effective)  and Write-downs  40,504  40,603  13,513  12,821  23,268  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,322  20,323  30,633	Sore earnings per share - continuing ope	erations (€)														6.82	7.32
earnings per share (€)  Ex (cash effective)  This and Write-downs 1,347 1,695 454 601 534 525 63 30 201 212 2,599 3,063 733 680 3,332	earnings per share (€)  Ex (cash effective)  and Write-downs  40,504  40,603  13,513  12,821  22,539  3,804  3,957  3,053	Sore earnings per share - discontinued	operations (€														0.13	0.41
x (cash effective) 2,511 and Write-downs 1,347 1,695 454 601 534 525 63 30 201 212 2,599 3,063 733 680 3,332	Ex (cash effective)         Tig95         454         601         534         525         63         306         201         212         2,599         3,063         10,724         20,509         15,770         15,578         116,583         116,	Core earnings per share (€)															6.95	7.73
and Write-downs 1,347 1,695 454 601 534 525 63 30 201 212 2,599 3,063 733 680 3,332	and Write-downs 1,347 1,695 454 601 534 525 63 30 201 212 2,599 3,063 15,77 15,82	CapEx (cash effective)					-			***							2,511	2,578
1,347         1,695         454         601         534         525         63         30         201         212         2,599         3,063         733         680         3,332	1,3471,69545460153452563302012122,5993,0637336803,33240,50440,09313,51312,82123,26822,3993,8043,95719,72420,322100,81399,59215,77015,578116,58311	R&D															4,274	4,666
	40,504 40,093 13,513 12,821 23,268 22,399 3,804 3,957 19,724 20,322 100,813 99,592 15,770 15,578 116,583	8A and Write-downs	1,347	1,695	454	601	534	525	63	30	201	212	2,599	3,063	733	089	3,332	3,743



# Restatements 2015 / 2016 due to New Regional Reporting Structure

Reporting of the regions has been adjusted to reflect the distribution of responsibilities on the Board of Management. Sales for Africa/Middle East are now no longer reported together with Latin America but with Europe.

Restated sales figures for 2015 and 2016 are as follows:

		Pharmac	euticals			Consume	er Health	
	Europe / Middle East / Africa	North America	Asia / Pacific	Latin America	Europe / Middle East / Africa	North America	Asia / Pacific	Latin America
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Q1 2015	1,378	899	1,014	271	521	681	180	174
Q2 2015	1,504	1,009	1,117	260	469	744	193	184
Q3 2015	1,481	1,057	1,067	265	475	580	177	192
Q4 2015	1,618	972	1,121	275	490	630	188	198
FY 2015	5,981	3,937	4,319	1,071	1,955	2,635	738	748
Q1 2016	1,542	989	1,130	228	482	677	201	160
Q2 2016	1,602	1,027	1,219	256	480	701	201	171
Q3 2016	1,589	1,071	1,223	269	457	600	185	183

		Crop S	cience			Animal	Health	
	Europe / Middle East / Africa	North America	Asia / Pacific	Latin America	Europe / Middle East / Africa	North America	Asia / Pacific	Latin America
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Q1 2015	1,431	908	360	307	131	132	75	48
Q2 2015	942	873	442	379	121	193	72	42
Q3 2015	525	351	363	842	104	140	71	42
Q4 2015	470	438	365	1,132	91	122	67	39
FY 2015	3,368	2,570	1,530	2,660	447	587	285	171
Q1 2016	1,420	909	342	265	138	162	67	41
Q2 2016	897	812	455	354	123	193	71	39
Q3 2016	542	368	367	780	100	137	83	40

		Reconc	iliation			Cove	stro	
	Europe / Middle East / Africa	North America	Asia / Pacific	Latin America	Europe / Middle East / Africa	North America	Asia / Pacific	Latin America
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Q1 2015	249	2	4	14	1,226	718	856	214
Q2 2015	257	3	3	11	1,306	766	904	209
Q3/2015	248	1	3	11	1,264	729	819	197
Q4 2015	274	1	4	16	1,132	672	798	172
FY 2015	1,028	7	14	52	4,928	2,885	3,377	792
Q1 2016	236	2	3	10	1,210	683	793	164
Q2 2016	243	-2	4	12	1,254	686	866	169
Q3 2016	249	7	0	8	1,193	700	922	189

		Bayer	Group	
	Europe / Middle East / Africa	North America	Asia / Pacific	Latin America
	€ million	€ million	€ million	€ million
Q1/2015	4,936	3,340	2,489	1,028
Q2/2015	4,599	3,588	2,731	1,085
Q3/2015	4,097	2,858	2,500	1,549
Q4/2015	4,075	2,835	2,543	1,832
FY 2015	17,707	12,621	10,263	5,494
Q1/2016	5,028	3,422	2,536	868
Q2/2016	4,599	3,417	2,816	1,001
Q3/2016	4,130	2,883	2,780	1,469

Data are also available as excel file on www.investor.bayer.com



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#### **Cautionary Statements Regarding Forward-Looking Information**

Certain statements contained in this communication may constitute "forward-looking statements." Actual results could differ materially from those projected or forecast in the forward-looking statements. The factors that could cause actual results to differ materially include the following: uncertainties as to the timing of the transaction; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected time-frames or at all and to successfully integrate Monsanto Company's ("Monsanto") operations into those of Bayer Aktiengesellschaft ("Bayer"); such integration may be more difficult, timeconsuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the announcement of the transaction; the retention of certain key employees at Monsanto; risks associated with the disruption of management's attention from ongoing business operations due to the transaction; the conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the merger; the impact of indebtedness incurred by Bayer in connection with the transaction and the potential impact on the rating of indebtedness of Bayer; the effects of the business combination of Bayer and Monsanto, including the combined company's future financial condition, operating results, strategy and plans; other factors detailed in Monsanto's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended August 31, 2016 and Monsanto's other filings with the SEC, which are available at http://www.sec.gov and on Monsanto's website at www.monsanto.com; and other factors discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. Bayer assumes no obligation to update the information in this communication, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.