



## Investor News

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### **Bayer completes transaction involving plasma business**

Kogenate<sup>®</sup> product line remains in Bayer IHealthCare portfolio

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**Leverkusen / April 1, 2005** – Bayer today confirmed that it has completed its previously announced transaction to contribute the assets of its worldwide plasma products business to Talceris BioTherapeutics, Inc., a newly formed corporation controlled by affiliates of Cerberus Capital Management, L.P., New York, and Ampersand Ventures, Wellesley, Massachusetts. The overall transaction volume amounts to approximately US \$590 million (approx. EUR 450 million), including cash, a 10 percent equity interest in Talceris BioTherapeutics IHoldings Corp., retention of selected working capital items and contingent payments of up to US\$ 60 million.

All plasma activities in the United States were transferred to Talceris, which is maintaining its headquarters in Research Triangle Park, N.C. In most other countries in which Bayer has been distributing plasma products, Bayer companies will continue to distribute plasma products on behalf of Talceris. Bayer and Talceris have also entered into several service and supply arrangements.

“Divesting the plasma business is a further important strategic step towards Bayer IHealthCare’s realignment,” commented Werner Wenning, CEO of Bayer AG. “We are now focusing our resources on the consumer health business, medicines for humans and animals, and high-performance diagnostic systems. At the beginning of this year Bayer already closed the acquisition of Roche’s consumer health activities, thus becoming one of the global market leaders in non-prescription medicines.

The recombinant factor VIII business, comprising the Kogenate<sup>®</sup> product line for the treatment of hemophilia A, is not part of the transaction and remains in Bayer

HealthCare's portfolio. "Kogenate<sup>®</sup> is one of the most valuable and strategically important products in the Bayer HealthCare portfolio. It is integral to our long-term strategy as we continue to realign our business, and allows us to build on our leadership position in the global hemophilia market," said Arthur Higgins, Chairman of the Executive Committee of Bayer HealthCare.

Due to the distribution agreement Bayer will report revenues from the distribution of the plasma products outside of the United States – amounting to some 40 percent of total sales revenues for these products – under continuing operations. Bayer's sales of plasma products in 2004 totaled EUR 660 million. They include Polyglobin<sup>®</sup>, Gamimunc<sup>®</sup> N and Gamunex<sup>®</sup> for the treatment of immunodeficiency disorders, and Prolastin<sup>®</sup> for the treatment of congenital pulmonary emphysema.

Leverkusen, April 1, 2005

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**Forward-looking statements**

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