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Investor News

Following completion of the divestment of Crop Science businesses to BASF

Bayer: Conditions for beginning Monsanto integration fulfilled

Legal remedies against jury verdict in California announced

Leverkusen, Germany, August 16, 2018 – The integration of Monsanto into the Bayer Group can begin following the completion on Thursday of the divestment by Bayer to BASF of certain Crop Science businesses with a total sales volume of around 2.2 billion euros. Bayer already became the sole owner of Monsanto Company on June 7, 2018.

One of the requirements of the U.S. Department of Justice was that Bayer and Monsanto remain separate companies and continue to operate separately until completion of these divestments to BASF, and that has now taken place.

The acquisition of Monsanto gives rise to a leading agriculture company with a high level of innovative strength, a strong product portfolio and the highest ethical standards. As previously communicated, Bayer expects that the acquisition will already make a positive contribution to core earnings per share starting in 2019, with a double-digit percentage from 2021 onward. From 2022, annual contributions of 1.2 billion U.S. dollars to EBITDA before special items are planned from synergies. Moreover, Bayer will further strengthen its commitment to sustainability.

As regards the glyphosate verdict in California on August 10, 2018, Bayer believes that the jury's decision is at odds with the weight of scientific evidence, decades of real world experience and the conclusions of regulators around the world that all confirm glyphosate is safe and does not cause non-Hodgkin's lymphoma. The National Institutes of Health (NIH) recently reaffirmed glyphosate does not cause cancer. The U.S. Environmental Protection Agency (EPA), the European Food Safety Authority (EFSA), the European Chemicals Agency (ECHA) and other regulators around the world have also concluded that glyphosate can be used safely.

The jury's verdict is just the first step in this case, and it remains subject to post-trial motions in the trial court and to an appeal, as announced by Monsanto. As this case proceeds, Bayer believes courts ultimately will find that Monsanto and glyphosate were not responsible for Mr. Johnson's illness.

Due to the aforementioned requirements imposed by the U.S. Department of Justice, Bayer did not have access to detailed internal information at Monsanto. Under these conditions, Bayer was not permitted to influence matters relating to Monsanto's business, and its ability to actively comment on them in detail was extremely limited. Today, however, Bayer also gains the ability to become actively involved in defense efforts in the glyphosate trials and any other legal disputes, such as potential claims for damages in connection with the product Dicamba.

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