



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

Investor News

Bayer strengthens U.S. animal health portfolio:

Boehringer Ingelheim Vetmedica, Inc. and Bayer Enter Into Agreement for Purchase of U.S. Cydectin® Product Portfolio

Leverkusen, Germany, December 7, 2016 – Bayer and Boehringer Ingelheim Vetmedica, Inc. (BIVI) today announced that they have signed an agreement under which, on completion of the transaction, Bayer would acquire BIVI's CYDECTIN bovine and ovine endectocide products in the United States.

Once completed, the deal would include the transfer of CYDECTIN Pour-On, CYDECTIN Injectable and CYDECTIN Oral Drench. These endectocides with the active ingredient moxidectin offer persistent killing of internal parasites at multiple stages, including the most economically devastating parasite, *Ostertagia ostertagi* (brown stomach worm) and controls external parasites including lice, grubs and psoroptic mange mites on beef and dairy cattle.

“This transaction underlines our strategy to strengthen our portfolio with bolt-on acquisitions,” said Dr. Dirk Ehle, Head of Bayer Animal Health. “The U.S. is our most important market, and the addition of the CYDECTIN products will help further strengthen our position in cattle parasiticides in the U.S.”

“The CYDECTIN products are a perfect addition to our U.S. product portfolio,” added Joyce Lee, Head of Commercial Operations for Animal Health, North America. “They are complementary to our existing parasiticides portfolio, propelling Bayer’s strong position from the ectoparasitic space to now include endectocides.”

“We are pleased that veterinarians and cattle producers will continue to have access to the CYDECTIN line, and we are confident these products will have strong support after the sale with Bayer,” said Dr. Albrecht Kissel, president and CEO of BIVI.

The acquisition is anticipated to close by early 2017, subject to approval by the Federal Trade Commission and other contingencies.

The sale of BIVI's U.S. CYDECTIN products is a required step toward BI's acquisition of Merial as part of the larger swap transaction between Sanofi and BI.

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 2015, the Group employed around 117,000 people and had sales of EUR 46.3 billion. Capital expenditures amounted to EUR 2.6 billion, R&D expenses to EUR 4.3 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.

About Boehringer Ingelheim Vetmedica, Inc. (BIVI)

Boehringer Ingelheim Vetmedica Inc. (BIVI), is the U.S. animal health division of Boehringer Ingelheim GmbH. BIVI develops, manufactures and markets novel and innovative solutions for the prevention and treatment of disease in the cattle, equine, pet and swine markets. BIVI is the fifth largest animal health company in the U.S. The company has 2,000 employees unleashing their collective passion to keep animals healthy every day.

With more than 3,800 employees worldwide, Boehringer Ingelheim Animal Health achieved net sales of about 1.4 billion euros in 2015. In its research-driven Animal Health business, Boehringer Ingelheim continually invests more than 11 percent of net sales of the Animal Health business in R&D.

Boehringer Ingelheim is one of the world's 20 leading pharmaceutical companies. Headquartered in Ingelheim, Germany, Boehringer Ingelheim operates globally through 145 affiliates and a total of some 47,500 employees. Founded in 1885, the focus of the family-owned company is on researching, developing, manufacturing and marketing new medications of high therapeutic value for human and veterinary medicine.

Bayer AG, Investor Relations contacts:

Dr. Jürgen Beunink (+49-214-30-65742)

Peter Dahlhoff (+49-214-30-33022)

Judith Nestmann (+49-214-30-66836)

Constance Spitzer (+49-214-30-33021)

Prof. Dr. Olaf Weber (+49-214-30-33567)

Forward-Looking Statements

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