



Investor News

Merck offers Bayer its stake in Schering

- Successful acquisition of Schering by Bayer now much more likely
 - Wenning: “All three companies concerned will benefit from this step”
 - Suit filed against Merck to be withdrawn
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Leverkusen / June 14, 2006 – Bayer AG is to acquire all the shares of Schering held by Merck. In the course of joint talks, Bayer and Merck have agreed on the need to end the uncertainty regarding the Berlin company’s future to avoid damaging. Merck has therefore decided to sell its 21.8 percent (according to SEC) stake to Bayer, clearing the way for Bayer’s acquisition of Schering. The purchase price is EUR 89 per share.

All other Schering stockholders who have tendered their shares under the public takeover offer, or who decide to do so before the acceptance period expires at midnight CEST on Wednesday, will benefit from this price, which is EUR 3 above the original offer.

“We’re very pleased about Merck’s decision, because a lengthy competitive bidding process would have greatly affected Schering’s future,” said Bayer Management Board Chairman Werner Wenning. “All three companies concerned will benefit from this step. We are very optimistic that we can now secure at least the three-quarters of Schering’s capital stock that we were aiming for, enabling us to quickly begin the integration process. Today we have taken a major step toward creating a world-class German pharmaceutical company.”

The future company “Bayer Schering Pharma” will strengthen Germany’s role as a pharmaceutical industry location. This is in the interests of the entire sector. Bayer and

Merck therefore agreed during their talks to look into further possible opportunities for cooperation between the two companies.

Bayer will withdraw the suit filed against Merck in New York on Tuesday.

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This is neither an offer to purchase nor a solicitation of an offer to sell shares or American depository shares of Schering AG. The offer has been made by Dritte BV GmbH, a wholly-owned subsidiary of Bayer AG, for all bearer shares with no par value of Schering AG (including all bearer shares with no par value represented by American depository shares). The terms and conditions of the offer, including any possible extension of the acceptance period in case of a competing offer by a third party, have been published in the offer document after the permission of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) has been obtained on April 12, 2006. Dritte BV GmbH also has filed a tender offer statement with the U.S. Securities Exchange Commission (SEC) with respect to the takeover offer. Investors and holders of shares and American depository shares of Schering AG are strongly advised to read the tender offer statement and other relevant documents regarding the takeover offer filed by Dritte BV GmbH with the SEC because they contain important information. Investors and holders of shares and American depository shares of Schering AG will be able to receive these documents free of charge at the SEC's web site (<http://www.sec.gov>), or at the web site <http://www.bayer.com>.

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