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Investor News

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Bayer concludes process to sell Covestro

- 14.2 percent interest sold for 2.2 billion euros
 - 6.8 percent of shares retained to repay exchangeable bond
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Leverkusen, Germany, May 4, 2018 – On Thursday night, the Bayer Group sold 28.81 million shares representing a 14.2 percent interest in Covestro at a price of 75.50 euros per share. The proceeds of this sale totaled 2.2 billion euros. Bayer AG now holds just 6.8 percent of Covestro shares to repay the exchangeable bond that matures in 2020. Bayer AG acquired these shares from Bayer Pension Trust, which now no longer holds any Covestro shares.

“We very successfully concluded the selling process for this largest placement of Covestro shares,” said Werner Baumann, Chairman of the Board of Management of Bayer AG. Covestro has been listed on the stock exchange since October 6, 2015, and was promoted to Germany’s lead index DAX a few weeks ago. Through the sale of Covestro shares since the IPO, Bayer has generated proceeds of more than 9 billion euros. The exchangeable bond issued in June last year raised an additional one billion euros. “This is a very pleasing result, which we achieved faster than anticipated,” explained Johannes Dietsch, Chief Financial Officer of Bayer AG. “Moreover, the proceeds from the sale are higher than expected. This will be considered when determining the size of the share capital increase to finance the proposed acquisition of Monsanto.”

The share placement took place on Thursday evening after market close and was aimed exclusively at institutional investors. BofA Merrill Lynch and J.P. Morgan acted as joint bookrunners.

About Bayer

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 2017, the Group employed around 99,800 people and had sales of 35.0 billion euros. Capital expenditures amounted to 2.4 billion euros, R&D expenses to 4.5 billion euros. For more information, go to www.bayer.com.

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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's operations into those of Bayer; such integration may be more difficult, time-consuming 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 the refinancing of the loans taken out for the transaction, 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 SEC for the fiscal year ended Thursday, August 31, 2017 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 and Monsanto assume 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.

Additional Information

This press release constitutes neither an offer to sell nor a solicitation to buy any securities of Bayer, Covestro or their respective subsidiaries. The Covestro shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States of America absent registration or an applicable exemption from the registration requirements under the Securities Act.