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Investor News

First quarter of 2015:

Strong start to the year for Bayer

- Significant sales and earnings growth at HealthCare
 - CropScience performance steady in a weaker market environment
 - MaterialScience posts earnings growth
 - Group sales increase to EUR 12,117 million (plus 14.8 percent / Fx & portfolio adj. plus 2.7 percent)
 - EBITDA before special items advances by 9.6 percent to EUR 3.0 billion
 - EBIT down by 4.7 percent to EUR 1,998 million
 - Net income EUR 1,303 million (minus 8.4 percent)
 - Core earnings per share improve by 7.7 percent to EUR 2.10
 - Guidance for full year 2015 raised due to currency effects
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Leverkusen, Germany, April 30, 2015 – The Bayer Group had a strong start to 2015 and once again expanded sales in the first quarter. "At HealthCare we continued to benefit from the positive development of our recently launched pharmaceutical products and the gratifying expansion of business in Consumer Health," Bayer CEO Dr. Marijn Dekkers said on Thursday when the interim report was published. The products newly acquired from Merck & Co., Inc., United States, also contributed to growth at Consumer Care. HealthCare posted a strong increase in earnings. Sales at CropScience slightly exceeded the strong prior-year quarter despite a weaker market environment. Here, however, earnings were down year on year. MaterialScience registered a slight decline in sales as expected on a currency- and portfolio-adjusted basis but raised earnings before special items. "Given the business development in the first quarter and especially in view of the much more favorable exchange rates as of March 31, we are raising our Group guidance for 2015," said Dekkers.

Sales of the Bayer Group moved ahead in the first quarter of 2015 by 14.8 percent to EUR 12,117 million (Q1 2014: EUR 10,555 million). Adjusted for currency and portfolio

effects (Fx & portfolio adj.), sales grew by 2.7 percent. EBITDA before special items climbed by 9.6 percent to EUR 3,000 million (Q1 2014: EUR 2,738 million). This good business development was accompanied by higher R&D and selling expenses. Positive currency effects buoyed earnings by about EUR 50 million. EBIT before special items increased by 7.3 percent to EUR 2,242 million (Q1 2014: EUR 2,089 million). On the other hand, EBIT fell by 4.7 percent to EUR 1,998 million (Q1 2014: EUR 2,096 million). Earnings in the first quarter of 2015 were held back by net special charges of EUR 244 million (Q1 2014: net special gains of EUR 7 million) that mainly comprised expenses for the integration of acquired businesses, the consolidation of production sites and additional efficiency improvement measures. Net income came to EUR 1,303 million (Q1 2014: EUR 1,423 million), down 8.4 percent year on year. By contrast, core earnings per share advanced by 7.7 percent to EUR 2.10 (Q1 2014: EUR 1.95).

Gross cash flow, at EUR 2,060 million, was on the level of the prior-year quarter (Q1 2014: EUR 2,048 million). Net cash flow rose sharply to EUR 724 million (Q1 2014: EUR 163 million) due to a reduction in cash tied up in working capital. Net financial debt rose by EUR 1.7 billion against December 31, 2014, to EUR 21.3 billion, mainly on account of negative currency effects.

HealthCare benefits from recently launched pharmaceutical products and acquisitions

Sales of the HealthCare subgroup increased by 25.6 percent (Fx & portfolio adj. 7.2 percent) to EUR 5,742 million in the first quarter of 2015 (Q1 2014: EUR 4,572 million). "HealthCare achieved encouraging organic growth and also benefited from the acquisitions at Consumer Care," Dekkers explained. The subgroup registered persistently dynamic sales growth at Pharmaceuticals and strong sales gains in the Consumer Health segment.

Sales of the Pharmaceuticals segment rose by 7.2 percent (Fx & portfolio adj.) to EUR 3,200 million. The recently launched products – the anticoagulant Xarelto™, the eye medicine Eylea™, the cancer drugs Stivarga™ and Xofigo™, and Adempas™ to treat pulmonary hypertension – continued their dynamic development, posting combined sales of EUR 898 million (Q1 2014: EUR 598 million). Sales of Xarelto™ climbed by 38.4 percent on a currency-adjusted basis (Fx adj.), while Eylea™ grew by an even more substantial 55.1 percent (Fx adj.). Among the established best-selling products, sales of the Mirena™ line of hormone-releasing intrauterine devices advanced by 14.2 percent

(Fx adj.). Sales of Aspirin™ Cardio for secondary prevention of heart attacks rose by 8.3 percent (Fx adj.). Sales of the blood-clotting medicine Kogenate™ were 9.8 percent below the prior-period level (Fx adj.) due to the use of production capacities to develop the next-generation hemophilia medicines. Sales of the multiple sclerosis product Betaferon™/ Betaseron™ declined by 1.0 percent (Fx adj.). The Pharmaceuticals business grew in all regions on a currency-adjusted basis. Development was particularly gratifying in North America and Europe.

Sales of Consumer Health climbed by 7.2 percent (Fx & portfolio adj.) to EUR 2,542 million. All divisions played a role in this positive development. The products acquired from Merck & Co., Inc., United States, contributed EUR 495 million to the significant growth in Consumer Care and thus matched Bayer's expectations. The Bepanthen™/ Bepanthol™ line of skincare products also developed positively, with sales up by 14.1 percent (Fx & portfolio adj.). The analgesics Aspirin™ and Aleve™ registered sales gains of 8.9 percent and 8.8 percent (Fx adj.), respectively. The Medical Care Division benefited in part from a stabilized market environment for the Diabetes Care business in the United States. Sales of the Contour™ family of blood glucose meters rose by 14.5 percent (Fx adj.). In the Radiology business, the contrast agent Gadovist™/ Gadavist™ made an encouraging contribution to growth following its approval in further indications, with sales up by 21.5 percent (Fx adj.). The Animal Health Division registered significant sales growth, particularly for its Seresto™ flea and tick collar.

EBITDA before special items of HealthCare advanced by a substantial 24.1 percent to EUR 1,615 million (Q1 2014: EUR 1,301 million). The improvement in earnings resulted mainly from the favorable development of business at Pharmaceuticals and Consumer Health, the contributions from the acquired businesses, and positive currency effects of about EUR 50 million. Earnings were held back by higher selling expenses in both segments, which at Consumer Health were particularly due to the acquired consumer care businesses. There was also an increase in research and development expenses at Pharmaceuticals.

Weaker market environment for CropScience in North and South America

Sales of the agriculture business (CropScience) increased by 6.6 percent (Fx & portfolio adj. 1.0 percent) in the first quarter to EUR 3,092 million (Q1 2014: EUR 2,900 million). "Despite a weakened market environment, particularly in North and South America, Crop Protection/Seeds improved slightly against the strong prior-year level," Dekkers said. The subgroup registered significant growth in the Europe region, where business expanded by 16.9 percent (Fx adj.). However, sales fell by 15.1 percent (Fx adj.) in North America, 4.3 percent (Fx adj.) in Asia/Pacific and 3.2 percent (Fx adj.) in Latin America/Africa/Middle East.

At Crop Protection, the Fungicides business posted double-digit growth of 22.4 percent (Fx & portfolio adj.). Sales of products for use in cereals developed particularly well. The Seeds unit also developed positively (Fx & portfolio adj. plus 8.2 percent), especially with products for oilseed rape/canola and soybeans. By contrast, sales were down at SeedGrowth (Fx & portfolio adj. minus 16.7 percent), Insecticides (Fx & portfolio adj. minus 12.5 percent) and Herbicides (Fx & portfolio adj. minus 8.5 percent). Sales of Environmental Science rose by 4.2 percent (Fx & portfolio adj.), with positive development both in the consumer business and in products for professional users.

EBITDA before special items of the subgroup came in 5.3 percent below the strong prior-year quarter at EUR 1,040 million (Q1 2014: EUR 1,098 million). Contributing to this decrease was a negative currency effect of about EUR 40 million. While higher selling prices had a positive effect, volumes were lower and selling expenses increased.

Lower raw material prices lift earnings at MaterialScience

In the high-tech polymer materials business (MaterialScience), preparations for the planned stock market flotation are on schedule. "As before, we plan to carry out the flotation of MaterialScience by mid-2016 at the latest," said Dekkers.

Sales of this subgroup grew by 7.5 percent in the first quarter, to EUR 3,014 million (Q1 2014: EUR 2,803 million). Adjusted for currency and portfolio effects, sales declined by 2.1 percent due to lower selling prices for Polyurethanes and Polycarbonates. Raw material prices were down sharply in both these business units. Volumes rose overall. Sales of foam raw materials (Polyurethanes) fell by 6.6 percent (Fx & portfolio adj.), while business with high-tech plastics (Polycarbonates) expanded by 3.9 percent (Fx & portfolio

adj.). Sales of raw materials for coatings, adhesives and specialties improved by 4.9 percent (Fx & portfolio adj.), while Industrial Operations moved back by 4.2 percent (Fx & portfolio adj.).

EBITDA before special items of MaterialScience improved by 15.8 percent to EUR 424 million (Q1 2014: EUR 366 million). This increase resulted mostly from significantly lower raw material prices that more than offset the decline in selling prices. Earnings were additionally buoyed by positive currency effects of approximately EUR 50 million.

Group sales in 2015 expected to climb to between EUR 48 billion and EUR 49 billion

"We are raising our forecast for the full year 2015," said Dekkers, pointing above all to the considerably more positive exchange rates prevailing on March 31, 2015. Bayer is now planning sales in the region of EUR 48 billion to EUR 49 billion (previously: in the region of EUR 46 billion). This corresponds to a low-single-digit percentage increase on a currency- and portfolio-adjusted basis. The company expects currency effects to boost sales by approximately 9 percent (previously: approximately 3 percent) compared with the prior year. Bayer now plans to raise EBITDA before special items by a high-teens percentage (previously: low- to mid-teens percentage), allowing for expected positive currency effects of about 8 percent (previously: about 2 percent). Bayer now aims to increase core earnings per share by a high-teens percentage (previously: low-teens percentage), allowing for expected positive currency effects of around 7 percent (previously: around 3 percent).

The Group continues to expect to take special charges in the region of EUR 700 million, with the integration of the acquired consumer care businesses and the planned stock market listing of MaterialScience accounting for most of this amount. Bayer expects net financial debt at year end to be below EUR 20 billion (previously: below EUR 18 billion).

HealthCare now expects sales to rise to over EUR 24 billion (previously: approximately EUR 23 billion). This corresponds to a mid-single-digit percentage increase on a currency- and portfolio-adjusted basis. The subgroup now plans to raise EBITDA before special items by a low-twenties percentage (previously: mid-teens percentage). In the Pharmaceuticals segment, we now expect sales to move ahead to approximately EUR 14 billion (previously: approximately EUR 13 billion). This corresponds to a mid- to high-single-digit percentage on a currency- and portfolio-adjusted basis. Pharmaceuticals

intends to raise sales of its recently launched products to over EUR 4 billion (previously: toward EUR 4 billion) and to increase EBITDA before special items by a mid-teens percentage (previously: low-teens percentage), allowing for an additional EUR 350 million (previously: EUR 300 million) of investment in research and development. As a result of the dilutive currency effects, Pharmaceuticals expects the EBITDA margin before special items to be slightly below the prior-year level (previously: slightly improve). In the Consumer Health segment, Bayer expects sales to increase to over EUR 10 billion (previously: toward EUR 10 billion), including those of the acquired consumer care businesses. The segment plans to grow sales by a mid-single-digit percentage (Fx & portfolio adj.). Consumer Health expects to raise EBITDA before special items by a mid-thirties percentage (previously: a mid- to high-twenties percentage), with the acquired consumer care businesses contributing to the increase.

CropScience expects to continue growing faster than the market and now aims to raise sales to approximately EUR 11 billion (previously: approximately EUR 10 billion). This corresponds to a low- to mid-single-digit percentage increase on a currency- and portfolio-adjusted basis. In line with the clearly positive currency changes, the subgroup now plans to improve EBITDA before special items by a low- to mid-teens percentage (previously: a low- to mid-single-digit percentage).

MaterialScience continues to plan further volume growth in 2015 accompanied by declining selling prices. This will lead to lower sales on a currency- and portfolio-adjusted basis. However, MaterialScience expects to see a significant increase in EBITDA before special items, partly due to lower raw material costs. The subgroup aims to return to earning the full cost of capital in 2015. MaterialScience expects sales and EBITDA before special items in the second quarter of 2015 to come in at least at the level of the first quarter of 2015.

Note:

The tables below contain the key data for the Bayer Group and its subgroups for the first quarter 2015.

The full report for the first quarter is available for online viewing and download at www.investor.bayer.com.

Supplementary features at www.investor.bayer.com:

- presentation charts for the investor conference call at 12:00 noon CEST
- live webcast of the investor conference call from approximately 2:00 p.m. CEST
- recording of the investor conference call from approximately 6:00 p.m. CEST.

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Forward-Looking Statements

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Bayer Key Data, 1st Quarter 2015

(Certain prior-year data are restated.)

Bayer Group (EUR million)	Q1 2014	Q1 2015	Change in %
Sales	10,555	12,117	+14.8
EBIT	2,096	1,998	-4.7
<i>Special items</i>	7	(244)	-
EBIT before special items	2,089	2,242	+7.3
EBITDA	2,745	2,804	+2.1
<i>Special items</i>	7	(196)	-
EBITDA before special items	2,738	3,000	+9.6
Net income	1,423	1,303	-8.4
Earnings per share (EUR)	1.72	1.58	-8.1
Core earnings per share (EUR)	1.95	2.10	+7.7
Number of employees at end of period *	113,885	119,478	+4.9

Bayer HealthCare (EUR million)	Q1 2014	Q1 2015	Change in %
Sales	4,572	5,742	+25.6
EBIT	962	1,040	+8.1
<i>Special items</i>	16	(145)	-
EBIT before special items	946	1,185	+25.3
EBITDA	1,317	1,492	+13.3
<i>Special items</i>	16	(123)	-
EBITDA before special items	1,301	1,615	+24.1

Bayer CropScience (EUR million)	Q1 2014	Q1 2015	Change in %
Sales	2,900	3,092	+6.6
EBIT	988	874	-11.5
<i>Special items</i>	0	(47)	-
EBIT before special items	988	921	-6.8
EBITDA	1,098	998	-9.1
<i>Special items</i>	0	(42)	-
EBITDA before special items	1,098	1,040	-5.3

Bayer MaterialScience (EUR million)	Q1 2014	Q1 2015	Change in %
Sales	2,803	3,014	+7.5
EBIT	219	219	-
<i>Special items</i>	(2)	(42)	-
EBIT before special items	221	261	+18.1
EBITDA	364	403	+10.7
<i>Special items</i>	(2)	(21)	-
EBITDA before special items	366	424	+15.8

EBITDA, EBIT(DA) before special items and core earnings per share are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information. For the definition of these indicators, see the current annual report at www.bayer.com.

* Full-time equivalents