



Bayer AG
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Investor News

Bayer aligns organization with Life Science businesses

- Operational management in three divisions: Pharmaceuticals, Consumer Health and Crop Science
 - Dieter Weinand, Erica Mann and Liam Condon appointed to the Bayer Board of Management
 - Dr. Hartmut Klusik succeeds Michael König as a member of the Board of Management and Labor Director
 - Greater integration and stronger focus on the Bayer corporate brand
 - Implementation to start on January 1, 2016
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Leverkusen, Germany, September 18, 2015 – Following the economic and legal separation of Covestro, Bayer is charting the course for its successful development as a Life Science company. On Friday, the Supervisory Board approved the reorganization proposed by the Board of Management. From January 1, 2016, the company's business will be managed by three divisions: Pharmaceuticals, Consumer Health and Crop Science. The present structure of a strategic management holding company and operational subgroups will be replaced by an integrated organization under the umbrella of the strong Bayer brand. "The aim of the new organization is to provide the best-possible support to Bayer's strategy as a leading Life Science company and to put ourselves in an even stronger position vis-à-vis our competitors. We can achieve this by further improving our innovation strength, sharpening our customer focus and strengthening business process excellence," said Dr. Marijn Dekkers, Chairman of the Board of Management of Bayer AG.

In the new organization, the Board of Management of Bayer AG will also hold overall responsibility for business operations. For this reason, the Supervisory Board resolved to appoint the heads of the divisions - Dieter Weinand (Pharmaceuticals), Erica Mann (Consumer Health) and Liam Condon (Crop Science) - to the Board of Management effective January 1, 2016. On the same date, Dr. Hartmut Klusik will also join the Board of

Management of Bayer AG as the new Labor Director and Board member responsible for Human Resources, Technology and Sustainability. He will succeed Michael König, who has requested that his contract not be extended.

“In recent years, Bayer has continued developing its portfolio with a significant focus on the Life Sciences. The company’s very strong position at this time enables it to concentrate exclusively on these businesses. The logical conclusion of this is greater integration of the organization,” said Werner Wenning, Chairman of the Supervisory Board of Bayer AG. Concerning the changes on the Board of Management, Wenning added: “We are convinced that the greater integration of strategic and operational roles will take Bayer forward and we have expanded the roles of the Board of Management members accordingly. We wish the Board of Management in its new constellation every success. It is with regret that we say farewell to Michael König. We would like to thank him most sincerely for his valuable contribution and wish him all the best for the future.”

As part of the reorganization, the Bayer HealthCare subgroup will be dissolved. The Radiology business will be assigned to the Pharmaceuticals Division. Consumer Health will comprise the present Consumer Care Division. The Bayer CropScience subgroup will become the Crop Science Division. As a business unit, Animal Health will report directly to Liam Condon.

The divisions are to focus on core competencies close to their businesses - research and development, production, and sales & marketing. They will be supported by integrated functions such as Human Resources and Procurement, and by global services. Within this context, Bayer’s existing Technology Services company will become the Engineering & Technology function. Bayer Business Services, the company in which information technology and business support services are bundled, will remain a separate legal entity that is to see further expansion.

This greater integration will also be reflected in Bayer’s brand architecture. In the future, the company will focus exclusively on the Bayer corporate brand and its product brands. The divisions will not have separate brand identities.

Job numbers to remain stable in the years ahead

Despite the organizational changes, job numbers are expected to remain stable in the years ahead, both worldwide and in Germany. In a joint declaration issued by

management and the employee representatives, key principles relating to the organizational changes have been defined. "We expressly welcome the fact that the subgroups and Bayer Technology Services are being reintegrated under the roof of Bayer AG. Our joint declaration guarantees continued security, trust and motivation for the employees," said Oliver Zühlke, Chairman of the Central Works Council of Bayer AG. "We have also been able to bring about a return to the collective agreement of the German Mining, Chemical and Energy Industrial Union (IG BCE) for our colleagues at Bayer Business Services."

Bayer as a pure Life Science company with outstanding perspectives

"Our mission of 'Science For A Better Life' ideally fits Bayer as a Life Science company. Ultimately, all activities of Bayer have one and the same goal: improving people's lives all over the world," said Dekkers. The challenges are immense. The aim is to provide better medical care and ensure an adequate supply of high-quality food for the growing global population. This can only be achieved with Life Science innovations. "We have leading positions in attractive and growing markets and our business is diversified and balanced in terms of economic cycles and risks," Dekkers continued. Moreover, in light of the many commonalities between the biochemical processes in living organisms, the portfolio also offers interesting opportunities, especially in research.

The future product portfolio of the Pharmaceuticals Division brings together prescription medicines from the general medicine and specialty pharmaceuticals categories and also the Radiology business. The Consumer Health Division will encompass globally known consumer brands from the allergy, analgesic, cardiovascular risk prevention, cough, cold and flu, dermatology, foot care, gastrointestinal, dietary supplement and sun protection categories. The Crop Science Division - Bayer's agriculture business - is active in the seed, chemical and biological crop protection and non-agricultural pest control markets. Animal Health provides products and solutions to prevent and treat diseases in companion and farm animals.

Bayer Board of Management to be enlarged and assume overall operational responsibility

Effective January 1, 2016, the Board of Management of Bayer AG will comprise eight members headed by Chairman Dr. Marijn Dekkers. Johannes Dietsch will be responsible for Finance; Werner Baumann will oversee Strategy and Portfolio Management; and

Kemal Malik will have responsibility for Innovation. Michael König will be leaving the company at his own request on expiration of his contract. Dr. Hartmut Klusik, currently responsible for Product Supply on the Board of Management of Bayer HealthCare AG, will be the new Labor Director and Board member responsible for Human Resources, Technology and Sustainability. As part of the reorganization, the Board of Management areas for Innovation and Technology will be additionally strengthened. The Board of Management will also be enlarged to include the three divisional heads: Dieter Weinand (headquartered in Berlin, Germany), Erica Mann (headquartered in the future in Basel, Switzerland) and Liam Condon (headquartered in Monheim, Germany).

Dieter Weinand (55) was appointed to the Bayer HealthCare Executive Committee as head of the Pharmaceuticals Division on August 1, 2014. Before moving to Bayer HealthCare, he was President, Global Commercialization & Portfolio Management at Otsuka Pharmaceutical Development & Commercialization, Inc. in Princeton, New Jersey, United States. Prior to that, he held various responsibilities in commercial, operational and strategic roles at a number of pharmaceutical companies including Pfizer and Bristol-Myers Squibb. He was born in Boppard, Germany, and earned a B.A. in biology from Concordia College, New York, and an M.S. in pharmacology and toxicology from Long Island University, New York. Weinand is married and has three children.

Erica Mann (56) was appointed to the Bayer HealthCare Executive Committee as head of the Consumer Care Division in mid-March 2011. She also chairs the World Self Medication Industry Association. Before joining Bayer, her roles included Managing Director of Wyeth in Australia and New Zealand from 2003. In April 2009, she became Senior Vice President for the global Nutrition business. Following the acquisition of Wyeth by Pfizer, Mann moved to the United States, where she was President and General Manager of Pfizer's Nutrition Division and a member of that company's Senior Management Team. Mann was born in Vereeniging, South Africa. She holds a degree in analytical chemistry and a marketing management diploma from the Institute of Marketing Management in Johannesburg, South Africa. Erica Mann has two adult children.

Liam Condon (47) has been Chairman of the Executive Committee of Bayer CropScience and Chairman of the Board of Management of Bayer CropScience AG since December 1, 2012. Prior to that, he held various positions of increasing responsibility for Bayer's Pharmaceuticals Division in Europe and Asia. In January 2010, Condon was appointed Managing Director of Bayer HealthCare Germany and head of Bayer's Pharmaceuticals business in Germany. Condon is a member of the Board of Directors of

CropLife International. He studied international business at Dublin City University, Ireland, and, with a scholarship from the German Academic Exchange Service (DAAD), at the Technical University of Berlin, Germany. Condon is married and has two sons.

Dr. Hartmut Klusik (59) was appointed to the Bayer HealthCare Executive Committee on July 5, 2005, and is responsible for Product Supply at Bayer HealthCare. He is also a member of the management boards of Bayer HealthCare AG and Bayer Pharma AG. Klusik began his career at Bayer's former Wolff Walsrode AG subsidiary in 1984, where he held various positions of increasing responsibility. In 1990, he transferred to Bayer AG and was appointed head of crop protection production in Brazil. This was followed by assignments in the United States and Australia. In 1997, Klusik took charge of crop protection active ingredient production in Dormagen and, in 2002, became head of active ingredient production for Bayer CropScience in Monheim. In early 2005, he was appointed head of the Technical Operations Committee at Bayer HealthCare. Hartmut Klusik was born in Niederwald, Germany. He graduated with a doctorate in chemistry from the Philipps University in Marburg. Klusik is married and has two children.

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