
Bayer reaches agreement with U.S. authorities

Leverkusen – Bayer has reached an agreement in principle on the terms of a settlement with the U.S. Attorney's Office for the District of Massachusetts in the context of an investigation into rebates for pharmaceutical products. Provisions of \$257.2 million have been established in this connection.

The U.S. subsidiary Bayer Corporation has been the subject of a joint civil and criminal investigation with respect to allegations that Bayer Corporation improperly underpaid rebates, particularly under the U.S. Medicaid Rebate Program, during a period from 1995 to 2000. Medicaid is a joint state-federal health-insurance program that provides drugs and treatment for people on low incomes or with disabilities.

The final terms of such agreement remain subject to negotiations. Bayer Corporation has cooperated very closely with the authorities throughout this process.

Leverkusen, December 20, 2002