



Bayer AG
Investor Relations
51368 Leverkusen
Germany
www.investor.bayer.com

Investor News

Dr. Marijn Dekkers at the Annual Stockholders' Meeting of Bayer AG:

“Innovation is our future”

- 2015 was a very successful year for Bayer both strategically and operationally
 - Dividend increase to EUR 2.50 per share proposed
 - Employees to share in the company's success through total bonuses of around EUR 1.1 billion
 - Good start to fiscal 2016
-

Leverkusen, April 29, 2016 – 2015 was a very successful year for the Bayer Group both strategically and operationally. “We have undertaken all the necessary steps to transform Bayer into a pure Life Science company,” said Management Board Chairman Dr. Marijn Dekkers at the Annual Stockholders' Meeting in Cologne on Friday. “We successfully floated our plastics activities on the stock market in a difficult market environment. The Life Sciences are now our core business.” At the same time, 2015 was another record year for Bayer in operational terms, Dekkers said. Bayer would like the stockholders to participate in this success with a dividend of EUR 2.50 for 2015 (2014: EUR 2.25) per share. Dekkers expressed his confidence about the company's further development, stressing: “Innovation is the future of Bayer.”

Sales of the Bayer Group increased by 12.1 percent last year to an all-time high of EUR 46.3 billion. Adjusted for exchange rate shifts and portfolio changes (Fx & portfolio adj.), the increase was 2.7 percent. Bayer also achieved new records in terms of earnings. EBIT climbed by 15.8 percent to EUR 6.3 billion and EBITDA before special items by 18.2 percent to EUR 10.3 billion. Core earnings per share from continuing operations advanced by 16.0 percent to EUR 6.83.

Bayer is growing on a very solid foundation, Dekkers explained. To make sure it stays that way, he said, the company has further increased its investment in the future and spent around EUR 4.3 billion on research and development in 2015. That was

EUR 740 million more than in the previous year. “In this way we are expanding our innovation strength – and thus safeguarding the basis for future growth,” said the Management Board Chairman.

Dekkers remarked that Bayer’s recently launched pharmaceutical products were the strongest growth drivers again in 2015. Sales at Pharmaceuticals climbed by 9.9 percent (Fx & portfolio adj.) to EUR 13.7 billion. The recently launched products – the anticoagulant Xarelto™, the eye medicine Eylea™, the cancer drugs Stivarga™ and Xofigo™, and Adempas™ to treat pulmonary hypertension – achieved very strong combined growth of 42 percent on a currency-adjusted basis, to EUR 4.2 billion. “This shows that we are successfully taking our inventions out of the laboratory to our customers,” said Dekkers.

Sales of nonprescription health care products (Consumer Care) advanced to EUR 6.1 billion in 2015. The currency- and portfolio-adjusted increase was 6.1 percent, while the reported increase was an even more substantial 43 percent. “This was attributable above all to the products acquired from Merck & Co.,” the Management Board Chairman explained.

Sales in the agricultural business (Crop Science) also improved, gaining 1.7 percent (Fx & portfolio adj.) to EUR 10.4 billion. “We thus grew faster than the average achieved by our most important competitors in a difficult market environment,” emphasized Dekkers.

The Bayer Chairman said the company’s employees had made a significant contribution to its success. “It is our employees who invent new molecules. It is they who manufacture our new products. And it is they who attract new customers. They make our success possible in the first place,” said Dekkers. “I would like to sincerely thank our employees for their commitment.” Employee bonuses for the past fiscal year totaled around EUR 1.1 billion, which Dekkers also described as a new record for Bayer.

Outlook for 2016 confirmed after a successful first quarter

Dekkers reported that Bayer had also gotten off to a successful start in the new fiscal year. Bayer increased sales by 0.5 percent (Fx & portfolio adj. 3.2 percent) to EUR 11.9 billion. Clean EBITDA advanced by 15.7 percent to EUR 3.4 billion. “All Life Science

segments succeeded in improving their operating performance,” said Dekkers. According to the Bayer CEO, the company has confirmed its outlook in view of this successful start.

In 2016, Bayer expects to achieve sales of approximately EUR 35 billion in the Life Science businesses, in other words excluding Covestro. This corresponds to a mid-single-digit percentage increase on a currency- and portfolio-adjusted basis. Bayer also assumes that EBITDA before special items of the Life Science businesses will move forward by a mid-single-digit percentage. The Bayer Group as a whole including Covestro expects to raise sales to more than EUR 47 billion. This corresponds to a low-single-digit percentage increase on a currency- and portfolio-adjusted basis. Bayer assumes that EBITDA before special items will move forward by a mid-single-digit percentage, as will core earnings per share.

Positive development in the past five years

Dekkers, whose term of office ends on April 30, gave a positive review of recent years: “We have achieved our strategic targets. And at the same time, we have strengthened our business operations.” In the past five years, all key indicators have developed very positively, he said. For example, Group sales have improved from EUR 37 billion to EUR 46 billion since 2011, while EBITDA before special items has climbed by 35 percent. The operating margin has grown accordingly, from 20.8 to 22.2 percent, the Bayer Chairman said, describing this as impressive evidence of Bayer’s sustained success. Remarked Dekkers: “Our strategy has ensured steady growth and increasing earning power.”

The price of Bayer stock has also developed very positively since January 2011, he said. Thanks to a strong performance that includes the dividend, the average annual return on Bayer stock was more than twice as high as those of the DAX and EuroStoxx 50 reference indices. “Our excellent position on the capital market is rooted in this positive value development. At the end of March, we had the highest market capitalization of all DAX companies, as defined by the German stock exchange,” said Dekkers.

New organizational structure

To maximize its success as a Life Science company, Bayer decided to adapt its corporate structure, Dekkers explained. This new organization took effect at the beginning of 2016. Bayer’s business is now managed by three divisions: Pharmaceuticals, Consumer Health

and Crop Science. “All three divisions occupy leading positions in their markets and together make up a strong and balanced portfolio,” stressed Dekkers. Furthermore, he explained, the heads of the divisions now also serve on the Board of Management, which is thus more involved in business operations.

As a Life Science company, Bayer can now better leverage its strengths and develop solutions for the major challenges facing society worldwide, Dekkers explained. For example, the company helps to fight diseases, enables people to sustain a high quality of life even at an advanced age, and helps provide sufficient food for the growing world population. “In this way, we are putting our mission at the center of our activities – ‘Bayer: Science For A Better Life.’ I am convinced that Bayer has a good future ahead of it,” concluded Dekkers.

Wenning: Dekkers set a decisive course

Supervisory Board Chairman Werner Wenning honored the service of the departing Management Board Chairman. “You have developed Bayer in an exceptional way and set a decisive course. Special mention should be made here of the systematic focus on the Life Science businesses,” said Wenning. In addition to the successful evolution of the portfolio, Bayer has been very successful operationally during Dekkers’ term of office, he added. Furthermore, the price of the company’s stock has developed very positively, Wenning said. As the most important steps in Bayer’s reorganization have now been completed and, in Werner Baumann, an outstanding successor designated from within the company, this Annual Stockholders’ Meeting is a very good moment to implement this change in the chairmanship of the Board of Management, Wenning remarked. “We are convinced that, under Werner Baumann’s leadership, the company will continue along its track of successful development,” Wenning said.

New elections for the Supervisory Board

In addition to the customary items, three further issues are on the agenda of the Annual Stockholders’ Meeting. At midnight on April 29, 2016, the term of office of the Supervisory Board members Professor Ernst-Ludwig Winnacker and Dr. Helmut Panke – who were elected by the stockholders – will come to an end. The Supervisory Board proposes that Hanneke Faber, Chief Commercial Officer and member of the Executive Committee of Koninklijke Ahold N.V. (Zaandam, Netherlands) and Professor Wolfgang Plischke, Chairman of the Supervisory Board of Evotec AG (Hamburg, Germany), be elected to this

supervising body. Plischke served as a member of the Board of Management of Bayer AG – on which he was responsible for Technology, Innovation and Sustainability – from 2006 until April 29, 2014.

Furthermore, the stockholders are being asked to approve the compensation system for the Management Board members as modified following regular review. Also on the agenda is the selection of the auditor for the financial reports of the Bayer Group. The Supervisory Board proposes that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Essen, be elected as auditor of the annual and consolidated financial statements for the fiscal year 2016. The Supervisory Board proposes that Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, be elected as auditor of the condensed consolidated interim financial statements and the interim group management report as of March 31, 2017.

Bayer: Science For A Better Life

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 2015, the Group employed around 117,000 people and had sales of EUR 46.3 billion. Capital expenditures amounted to EUR 2.6 billion, R&D expenses to EUR 4.3 billion. These figures include those for the high-tech polymers business, which was floated on the stock market as an independent company named Covestro on October 6, 2015. For more information, go to www.bayer.com.

Bayer AG, Investor Relations contacts:

Dr. Alexander Rosar (+49-214-30-81013)

Dr. Jürgen Beunink (+49-214-30-65742)

Peter Dahlhoff (+49-214-30-33022)

Judith Nestmann (+49-214-30-66836)

Constance Spitzer (+49-214-30-33021)

Dr. Olaf Weber (+49-214-30-33567)

Forward-Looking Statements

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.