

Bayer



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Investor News

Further step to sharpen HealthCare focus

Bayer To Divest its Plasma Products Business To US Investors Cerberus and Ampersand

Kogenate[®] product line will remain in Bayer's portfolio

Leverkusen / December 13, 2004 — Bayer AG today announced that an agreement has been signed to contribute the assets of its worldwide plasma products business to NPS BioTherapeutics, Inc., a newly formed corporation controlled by affiliates of Cerberus Capital Management, L.P., New York, and Ampersand Ventures, Wellesley, Massachusetts. The total consideration to be received by Bayer amounts to approximately US \$590 million (approx. EUR 450 million), including cash, a 10 percent equity interest in NPS BioTherapeutics, Inc., retention of selected working capital items and contingent payments of up to US\$ 60 million. The transaction is expected to close in the first half of 2005 and is subject to regulatory approvals.

“Divesting the plasma business is another important step in the repositioning of our health care business,” commented Werner Wenning, CEO of Bayer AG. “In the future we will focus increasingly on our competencies in the consumer health business, on innovative medicines for humans and animals, and on high-performance diagnostic systems. Our acquisition of the OTC business of Roche and the pharmaceuticals alliance with Schering-Plough underscore the new strategic alignment.”

The agreement covers the products, facilities and employees representing the plasma portion of Bayer HealthCare's Biological Products Division. The recombinant factor VIII business, comprising the Kogenate[®] product line for the treatment of hemophilia A, is not part of the transaction and will remain in Bayer HealthCare's portfolio.

“Kogenate[®] is one of the most valuable and strategically important products in the Bayer HealthCare portfolio. It is integral to our long-term strategy as we continue to realign our business, and allows us to build on our leadership position in the global

hemophilia market,” said Arthur Higgins, Chairman of the Executive Committee of Bayer HealthCare.

Sales of Bayer’s plasma products in the first nine months of 2004 amounted to EUR 481 million. Key products include Polyglobin[®], Gamimune[®] N and Gamunex[®] for the treatment of immunodeficiency disorders, and Prolastin[®] for the treatment of congenital pulmonary emphysema. The plasma business unit, headquartered in Research Triangle Park, North Carolina, United States, employs approximately 1,600 people in the U.S.

“We are excited to invest in a company with the industry’s deepest product pipeline, excellent manufacturing expertise, leadership in pathogen safety research, and an unwavering commitment to its patients,” said Larry Stern, a member of the Cerberus Operations Group and Chairman of NPS BioTherapeutics, Inc.. Mr. Stern continued, “As part of this strategy, NPS BioTherapeutics will also acquire Precision Pharma Services, which currently provides fractionation services to the Bayer Plasma business. New focused ownership, in partnership with existing management, will further leverage NPS BioTherapeutics’ leadership position in the industry. We are committed to growing and strengthening the business while facilitating even better support of the care provider and patient community.”

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About Bayer

Bayer is a research-based, growth-oriented, global enterprise that plans to concentrate in the future on its core competencies in the fields of health care, nutrition and innovative materials. It is therefore intended to place substantial parts of the existing chemicals and polymers activities into the new company, Lanxess, to be listed on the stock exchange by the beginning of 2005. The Bayer Group is committed to the principles of sustainable development – with economic growth, ecological integrity and social responsibility accorded equal priority in its corporate activities throughout the world. In 2003, Bayer employed some 115,400 people and