

European Commission clears planned transaction

Bayer can acquire Aventis CropScience

Approval subject to a number of divestments
FTC decision imminent

Leverkusen – The European Commission has authorized Bayer AG's acquisition of Aventis CropScience subject to certain conditions. Approval from this regulatory authority is a decisive step towards establishing the new company Bayer CropScience. "Following an in-depth dialogue with the Commission, we now have an outcome that should enable us to achieve our strategic goals of becoming one of the top companies in our industry and at the same time ensuring the long-term competitiveness of Bayer CropScience," commented Dr. Jochen Wulff, designated Management Board Chairman of Bayer CropScience. The U.S. antitrust authority, the Federal Trade Commission (FTC), is expected to announce its decision shortly.

Under the conditions imposed by the E.U. Commission, a number of products for certain applications and in certain regions must be divested or outlicensed within six months. The list of conditions relates to total product sales of EUR 600 million – or 9 percent of the combined business based on 2000 figures.

The main requirement concerning insecticides is the divestment of the global business in agrochemical products based on Aventis' active substance fipronil, though these products may be licensed back for regions other than Europe and the United States. Also to be sold is the European business in the insecticides ethiprol, phosalone, cypermethrin and acetamiprid. Existing Bayer products to be divested for Europe are those with the active ingredients cyfluthrin, beta-cyfluthrin, oxydemeton-methyl and fenamiphos.

The European business in the herbicides linuron and metamitron and the fungicides iprodione, prochloraz, pyrimethanil, triticonazole and fluquinconazole is also to be sold.

Other conditions imposed relate to product outlicensing for regions, individual countries or specific applications. Said Wulff: "From the start, we were realistic about possible objections by the antitrust authorities. We anticipate keen interest from prospective purchasers and will use the proceeds of the divestitures and licenses to further strengthen the company."

The Commission's decision was based on an in-depth antitrust review of the acquisition, notice of which was given in October 2001. This involved analysing the positions of all the products of both companies in their respective fields of application and in individual markets, as well as obtaining statements from competitors and customers. Bayer as the acquirer then submitted proposals that dispelled the Commission's objections.

Leverkusen, April 17, 2002

Forward-Looking Statements

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