



Bayer AG
Investor Relations
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Investor News

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To finance the acquisition of the consumer care business of Merck & Co., Inc.

Bayer issues hybrid capital of over EUR 3.25 billion

Largest corporate euro hybrid bond transaction worldwide

Leverkusen, Germany, June 25, 2014 – On Wednesday Bayer issued two hybrid bonds with a total volume of EUR 3.25 billion. This issuance is the first step in the refinancing of the USD 14.2 billion bridge loan arranged to finance Bayer’s acquisition of the consumer care business of Merck & Co., Inc., Whitehouse Station, New Jersey, United States.

The bonds are structured to receive equity credit of 50 percent from the relevant rating agencies so that Bayer’s single A rating remains intact. Investor demand for the bonds was exceptionally strong, and the orderbook was more than 3 times oversubscribed.

The first tranche of EUR 1.75 billion has a maturity of 61 years and a coupon of 3.0 percent. Bayer has an early redemption option for the first time in 2020. The second tranche of Euro 1.5 billion has a maturity of 60 years and a coupon of 3.75 percent. On this tranche, Bayer has an early redemption option for the first time in 2024. From 2020 and 2024 respectively the coupons will be reset at regular intervals. The bonds are subordinated to all other financial liabilities of Bayer and rank pari-passu to Bayer’s existing hybrid of EUR 1.3 billion issued in 2005.

“This hybrid transaction represents an important step in the financing of the acquisition of Merck & Co., Inc.’s consumer care business – and is proof of our commitment to a conservative financial policy,” said the CFO of Bayer AG, Werner Baumann. “Our continuously strong backing in the capital markets is the optimal basis for further financing measures.”

Barclays, BNP Paribas, Citigroup and HSBC were mandated as active bookrunners on the transaction.

Bayer: Science For A Better Life

Bayer is a global enterprise with core competencies in the fields of health care, agriculture and high-tech polymer materials. As an innovation company, it sets trends in research-intensive areas. Bayer's 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 2013, the Group employed 113,200 people and had sales of EUR 40.2 billion. Capital expenditures amounted to EUR 2.2 billion, R&D expenses to EUR 3.2 billion. For more information, go to www.bayer.com.

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