



Bayer AG  
Investor Relations  
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## Investor News

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### **Bayer places 8.5 percent of Covestro's shares and EUR 1 billion bonds exchangeable into Covestro shares**

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**Leverkusen, Germany, June 7, 2017** – Bayer AG has reduced its direct holding in Covestro from 53.3 percent to 44.8 percent. This was achieved by selling 17.25 million of Covestro shares at a price of EUR 62.25 per share via an accelerated bookbuilding procedure. The planned deposit in Bayer Pension Trust e. V. will reduce Bayer AG's stake in Covestro by a further 4 percentage points.

In addition, Bayer AG placed bonds exchangeable into Covestro shares maturing in 2020 in an aggregate principal amount of EUR 1 billion. The bonds bear interest at a rate of 0.05 percent per annum. The issue price was fixed at 105.25 percent of the principal amount and the initial exchange price at EUR 80.93. Upon exchange of the bonds, Bayer will have the flexibility to settle the bonds in cash, by delivery of Covestro shares or by a combination thereof.

The accelerated bookbuilding and the offering of the exchangeable bonds took place Tuesday evening after market close and were addressed to institutional investors only. In the context of the placements, Bayer has agreed to a lock-up period of 90 days.

The transactions offer Bayer the opportunity to further reduce its holding in Covestro. Covestro will continue to be fully consolidated in Bayer's financial statements since Bayer should continue to hold the majority at a Covestro annual stockholders meeting after these transactions are completed. As previously announced, Bayer aims to achieve full separation from Covestro in the medium term.

## **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 2016, the Group employed around 115,200 people and had sales of EUR 46.8 billion. Capital expenditures amounted to EUR 2.6 billion, R&D expenses to EUR 4.7 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](http://www.bayer.com).

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### **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](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

### **Additional Information**

This press release constitutes neither an offer to sell nor a solicitation to buy any securities of Bayer, Covestro or their respective subsidiaries. The Covestro shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States of America absent registration or an applicable exemption from the registration requirements under the Securities Act. The bonds have not been and will not be registered under the Securities Act and may not be offered or sold in the United States of America or to, or for the account or benefit of, any US person absent registration or an applicable exemption from the registration requirements under the Securities Act.