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Bayer Healthcare to acquire Pathway Medical Technologies

Transaction complements business portfolio in vascular intervention technologies

Leverkusen, September 1, 2011 – Bayer HealthCare announced today that its affiliate, MEDRAD, Inc. has acquired Pathway Medical Technologies, Inc., of Kirkland, Wash. Financial terms of the agreement were not disclosed. With this acquisition, Bayer HealthCare is strengthening its MEDRAD Interventional business by expanding its presence in the field of vascular intervention technologies.

Pathway Medical Technologies is a leader in mechanical atherectomy in the field of vascular intervention. The company's products clear out blockages in the leg, also known as Peripheral Arterial Disease or PAD. Pathway's JETSTREAM® devices, for example, allow for a minimally invasive procedure designed to restore circulation in the peripheral arteries by reducing vascular narrowing caused by plaque. With differential cutting, JETSTREAM products are designed to remove plaque without harming healthy tissue. For the more than 12 million people alone in the U.S. estimated to have some form of PAD, Pathway products offer minimally invasive treatment options to remove calcified and fibrotic plaque and restore circulation in the peripheral arteries.

"The combination of MEDRAD and Pathway Medical Technologies underscores our strategic commitment to the treatment of patients in the growing interventional field," said Dr. Jörg Reinhardt, Chairman of the Board of Management of Bayer HealthCare. "Pathway's products complement MEDRAD Interventional's current and future portfolio including our injectors, thrombectomy devices and the Cotavance® paclitaxel coated balloon catheter with Paccocath® technology* and will enable us to extend value to customers and patients through broader product options to diagnose and treat PAD."

Pathway's JETSTREAM alongside Bayer HealthCare's offerings in this sector create a suite of products designed to assess vascular disease, to restore blood flow in diseased vessels and then to confirm treatment effectiveness, in support of MEDRAD

Interventional's overall product strategy. MEDRAD currently boasts offerings in peripheral artery disease (PAD) treatment with its AngioJet and Cotavance* products. With the addition of Pathway's JETSTREAM product, MEDRAD offers a full range of product options for treatment of PAD.

"From Pathway's perspective, Bayer HealthCare's broad and proven international distribution infrastructure presents an exciting platform for the more rapid expansion of Pathway's product portfolio into attractive and largely underpenetrated international markets," said Pathway Medical Technologies President and CEO Paul Buckman.

The Cotavance catheter received CE Mark certification in Europe in 2011. MEDRAD Interventional is also moving forward with the Investigational Device Exemption (IDE) process as one of the steps in gaining FDA approval for Cotavance product in the United States.

About Pathway Medical Technologies, Inc.
Pathway Medical Technologies, Inc. was founded to design, market and manufacture medical devices for the treatment of vascular disease. The company's initial focus is treating peripheral arterial disease (PAD) more quickly and effectively than existing technologies. An estimated 12 million people are afflicted by PAD in the U.S. and that number is projected to grow to over 20 million during the next 10 years. The company's JETSTREAM® device allows for a minimally invasive procedure designed to restore circulation in the peripheral arteries by removing both hard and soft diseased tissue. For further information, visit the company's Web site at www.pathwaymedical.com.

About MEDRAD, INC.
MEDRAD, INC. develops, markets and services medical devices used to diagnose and treat disease. Its product offerings include fluid injection systems for radiology and cardiology, endovascular devices for the treatment of cardiovascular disease, magnetic resonance-compatible accessories and equipment services. MEDRAD is a two-time recipient of the Malcolm Baldrige National Quality Award, the top honor a U.S. company can receive for quality and business excellence (2003 and 2010). The company's world headquarters is near Pittsburgh, Pennsylvania, in the United States. MEDRAD is a business of Bayer HealthCare. More company information is available at www.medrad.com.

About Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Bayer HealthCare, a subgroup of Bayer AG with annual sales of EUR 16.9 billion (2010), is one of the world's leading, innovative companies in the healthcare and medical products industry and is based in Leverkusen, Germany. The company combines the global activities of the Animal Health, Consumer Care, Medical Care and Pharmaceuticals divisions. Bayer HealthCare's aim is to discover and manufacture products that will improve human and animal health worldwide. Bayer HealthCare has a global workforce of 55,700 employees (Dec 31, 2010) and is represented in more than 100 countries. Find more information at www.bayerhealthcare.com.

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