

Investor News

Bayer HealthCare announces concrete plans for the global synergy goals and job cuts

- Savings in the order of EUR 700 million annually from 2009
 - 6,100 jobs to be cut globally, 1,500 of these in Germany
 - Headquarters in Berlin to remain the largest global location of Bayer Schering Pharma AG, Germany
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Berlin / March 2, 2007 –Bayer HealthCare today published concrete plans regarding the previously announced synergy goals. The integration of the activities of the former Schering AG, Germany, with the Pharma division of Bayer HealthCare will result in annual savings of EUR 700 million from 2009. Adjustments to personnel requirements and the consolidation of processes and systems will each contribute about half to the targeted global synergy effects.

As announced in 2006, reducing the overlap between the two companies will result in approximately 6,100 job cuts worldwide. There is to be a reduction of 3,150 jobs in Europe. In addition, 1,000 jobs in the USA, 750 jobs in the Asia, Pacific and Japan region as well as 1,200 jobs in Latin America and Canada are affected.

Of the 6,100 jobs worldwide there will be a reduction of 1,400 in the global research and development functions and 1,850 in production by 2009. Approximately 2,850 positions from central administration as well as local and regional structures will be reduced.

“We want to create an internationally successful pharmaceutical company with competitive cost structures,” said Werner Wenning, Chairman of the Bayer AG Group Management Board and the Supervisory Board of Bayer Schering Pharma. “We said right from the start of the integration that job cuts would be necessary in order to

achieve the synergy targets. These essential streamlining measures are to be fairly implemented in a socially acceptable process – balanced across the globe. This includes the reduction of the number of locations, cutting down on structural and personnel overcapacity, the concentration of research and development activities as well as the harmonization of structures and processes in marketing and administration.”

Of the 6,100 jobs worldwide a total of approximately 1,500 will be shed in Germany. Berlin will remain the largest location and the headquarters of Bayer Schering Pharma AG. Key global functions and business areas will be consistently drawn together in Berlin.

“The integration process at Bayer Schering Pharma is well on track”, said Arthur Higgins, Chairman of the Bayer Schering Pharma AG Board of Management and of Bayer Healthcare AG. “We are creating the basis for future growth and building an organization that will be competitive in the international marketplace.”

The measures announced today are to be realized in a fair and transparent process and take account of the local employment regulations in the respective countries. They are intended to create slimmed down and efficient structures and do away with double functions and overlaps. The goal is thus to strengthen innovation and growth in the company and as a result to increase profitability.

The cutbacks will be implemented in cooperation with the employee representatives. The company has begun discussions with employee representatives to work out detailed solutions together.

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