



Investor News

Medtronic and Bayer HealthCare announce alliance to provide blood glucose meter to Medtronic patients outside the United States

New blood glucose meter to provide advanced therapy options for people with diabetes beginning in Canada and Europe

Leverkusen, August 21, 2007 – Medtronic, Inc. (NYSE: MDT) and Bayer Diabetes Care, a division of Bayer HealthCare LLC and a member of the Bayer Group (NYSE: BAY), today announced an alliance to distribute and co-market a new blood glucose meter for Medtronic patients outside the United States beginning in Canada and Europe. The new meter, based upon Bayer's Contour[®] meter platform, will wirelessly transmit blood glucose test results directly to MiniMed Paradigm[®] insulin pumps and the Guardian[®] Real-Time continuous glucose monitoring (CGM) systems. Wireless communications make data entry easier and more convenient for patients.

As part of the agreement, Bayer Diabetes Care acquires exclusive rights to Medtronic's proprietary wireless communications protocol in certain markets outside the United States. The new meter will initially be introduced in Canada and Germany, followed by a phased rollout in other European countries and in further countries as agreed upon by the companies. Details of the financial terms of the agreement are not being disclosed.

"Bayer's strong presence in key markets such as Canada, Europe, Latin America and Asia enables Medtronic to reach more diabetes patients with its advanced technologies," said Sandra Peterson, President of Bayer Diabetes Care. "This alliance also supports our commitment to helping Medtronic customers maintain good health through frequent glucose testing."

“Offering this new meter with our insulin pumps and real-time continuous glucose monitoring systems will improve quality of life and ease of use for many of our patients,” said Chris O’Connell, President of Medtronic’s diabetes business. “Our new alliance allows us to bring trusted, state-of-the-art solutions to Medtronic patients who strive for the best possible diabetes management.”

The Diabetes Business at Medtronic

The diabetes business at Medtronic (www.medtronicdiabetes.com and www.medtronic-diabetes.co.uk) is the world leader in diabetes management. The company’s products include insulin pump therapy, continuous glucose monitoring systems, related disposable products and diabetes management software. Medtronic currently markets the MiniMed Paradigm® Real-Time Insulin Pump and Continuous Glucose Monitoring System – the world’s first insulin pump with Real-Time continuous glucose monitoring. Together with CareLink™ Therapy Management Software and wireless glucose meter communication, Medtronic offers patients an integrated solution for managing their diabetes.

Medtronic

Medtronic, Inc. (www.medtronic.com), headquartered in Minneapolis, is the global leader in medical technology, alleviating pain, restoring health and extending life for millions of people around the world.

Bayer HealthCare, Diabetes Care

Bayer HealthCare, Diabetes Care supports customers in 100 countries. Since the introduction of CLINITEST® reagent tablets in 1941, Bayer has led the way in diabetes care product innovation. The company changed the face of diabetes care in 1969 when it introduced the first portable blood glucose meter and test strips. Bayer HealthCare further innovated diabetes management by being the first company to introduce a suite of blood glucose monitors with No Coding™ technology. The BREEZE® and CONTOUR® blood glucose monitoring systems offer people with diabetes an unparalleled choice in diabetes management systems. The Arthritis Foundation in the United States and the Arthritis Society of Canada each granted Ease-of Use Commendation to the BREEZE meter, representing the first time a blood glucose meter has been recognized as easy to use for arthritis sufferers. In July 2006, Bayer Diabetes Care acquired Metrika Inc., maker and manufacturer of A1CNow+, a meter-based diabetes monitoring system for measurement of HbA1c (glycated hemoglobin) an important indicator of long term blood sugar control.

Bayer HealthCare, Diabetes Care global headquarters is located in Tarrytown, New York, in the United States and operates as part of Bayer HealthCare LLC, a member of the worldwide Bayer HealthCare group.

Bayer HealthCare

Bayer HealthCare, a subsidiary of Bayer AG, 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, Diabetes Care and Pharmaceuticals divisions. The pharmaceuticals business operates under the name Bayer Schering Pharma AG. Bayer HealthCare's aim is to discover and manufacture products that will improve human and animal health worldwide.

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Forward-looking statements

This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group 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 our annual and interim reports to the Frankfurt Stock Exchange and in our reports filed with the U.S. Securities and Exchange Commission (including our Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.