



Bayer HealthCare to acquire OTC Business of Sagmel, Inc.

Acquisition strengthens Bayer Consumer Care's Presence in Eastern Europe

Leverkusen, March 11, 2008 – Bayer HealthCare (BHC) announced today that its Consumer Care Division has signed an agreement with US-based Sagmel, Inc. to acquire their over-the-counter (OTC) brand portfolio and related assets. Sagmel, Inc. operates this business in the Commonwealth of Independent States (CIS), including Russia, Belarus, Ukraine and Kazakhstan and other countries in the region and has developed a strong market position. The companies have agreed not to disclose the financial terms of the transaction, which is expected to close during 2008.

This acquisition will substantially increase Bayer Consumer Care's presence in the CIS, one of the world's fastest growing OTC markets. The transaction, which is now subject to the necessary regulatory approvals, will include the transfer of the assets related to the acquired brands, as well as the employees dedicated to the Sagmel OTC business including the sales force and distribution networks, marketing, regulatory affairs and supply chain personnel. The transferred employees and assets will become part of the Consumer Care Division of Bayer HealthCare.

Following the establishment of a Bayer Consumer Care organization in the CIS through the integration of the marketing and distribution network of its former partner in January 2007, this acquisition will substantially increase Bayer Consumer Care's presence in the CIS, one of the world's fastest growing OTC markets.

"Our consumer health business is a key component of Bayer HealthCare and we will continue to invest in this area in order to ensure further growth," said Arthur Higgins, Chairman of Bayer HealthCare. "With this acquisition we continue to solidify our leading position in the global OTC market."

"The combined portfolio of Sagmel, Inc. and Bayer Consumer Care offers a very strong and attractive platform to further strengthen our business in one of the world's fastest

growing regions," said Gary Balkema, President of Bayer HealthCare's Consumer Care Division. "The addition of Sagmel's leading brands will complement our current portfolio in this dynamic market. With the addition of the highly skilled employee group who will join our organization, we expect to deliver outstanding performance."

Sagmel, Inc. is a privately held OTC company, headquartered in Libertyville, Illinois, USA with an employee base of approximately 1000. The Sagmel portfolio, which delivered estimated net sales of EUR 78 million for twelve months starting October 2006, includes Theraflex, a Glucosamine/Chondroitin supplement for the treatment of osteoarthritis and other joint/bone conditions, Nazol, a decongestant, the hemorrhoid treatment Relief, and nutritional brands Calcemin, Theravit and Jungle, and will allow Bayer to play an even more active role in the OTC arena in the CIS. Increased marketing and selling investments will not only strengthen the acquired brands, but will also have a positive impact on Bayer's existing OTC portfolio, which includes well-known brands such as Aspirin, Alka-Seltzer, Rennie, Supradyn, Biovital and Elevit.

Commenting on the deal, Anthony S. Melikhov, President of Sagmel, Inc., said "For over fifteen years, we have grown our OTC business in the CIS and provided consumers in this growing market with strong brands to meet their healthcare needs. We believe that this agreement with Bayer will allow the business to expand exponentially and offer benefits to our employees, trade customers and consumers in the Region."

About Bayer HealthCare AG

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 and as Bayer HealthCare Pharmaceuticals in the US and Canada. Bayer HealthCare's aim is to discover and manufacture products that will improve human and animal health worldwide.

About Bayer HealthCare's Consumer Care Division

The Consumer Care Division of Bayer HealthCare, is headquartered in Morristown, New Jersey, USA. Bayer's Consumer Care Division is among the largest marketers of over-the-counter medications and nutritional supplements in the world. Some of the most trusted and recognizable brands in the world today come from the Bayer portfolio of

products. These include Aspirin[®], ALEVE[®], Flanax[®]/Apronax[®], Alka-Seltzer[®], Midol[®], Talcid[®], Rennie[®], Canesten[®], Bepanthen[®], Bepanthol[®], One-A-Day[®] vitamins, Flintstones[™] vitamins, Supradyn[®], Redoxon[®], Berocca[®], Cal-D-Vita/Elevit[®], Vital 50 Plus[®], CardioAspirin[®].

About Sagemel, Inc.

Sagemel Inc. is a privately owned company and headquartered in Libertyville, Illinois, USA. The company markets over-the-counter medications in the CIS countries and has legal entities in Russia, Belarus, Lithuania and the U.S. and representative offices in Kazakhstan, Moldova and 5 other countries in the region. Sagemel's product portfolio represents all major categories and dosage forms of OTC products and includes many of the best-known consumer brands throughout the CIS Region e.g. Theraflex, Nazol, Relief, Calcemin, Theravit and Jungle. For more information, please go to www.sagemel.com

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Forward-looking statements

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