



Investor News

Bayer Healthcare llc Reaches Settlement with U.S. Department of Justice on Investigation into former Diabetes Care Marketing Programs

Corporate Integrity Agreement to cover Bayer HealthCare Diabetes Care, Bayer HealthCare Pharmaceuticals, Medrad (including Possis), Intendis and Viterion TeleHealthcare

Leverkusen, November 25, 2008 – Bayer HealthCare LLC confirmed today that it has reached a settlement with the United States Department of Justice (DOJ) related to an investigation into the Diabetes Care division's historical marketing programs with certain mail order customers that took place during the period between 1998 and 2003. Bayer has cooperated fully with the DOJ's civil investigation that commenced in 2003, without acknowledging liability. Under the terms of the agreement, Bayer HealthCare LLC will pay \$97.5 million to the government, and will enter into a Corporate Integrity Agreement (CIA) with the Office of Inspector General (OIG) for the Department of Health and Human Services. The BHC divisions covered by the CIA are those that sell products to Federal government entities (such as the VA) and /or sell products for which claims are submitted for reimbursement under Federal healthcare programs: Bayer HealthCare Diabetes Care, Bayer HealthCare Pharmaceuticals, Medrad (including Possis), Intendis and Viterion TeleHealthcare.

As is common when settling a matter such as this, Bayer has decided to resolve this investigation to avoid the time, uncertainty, and expense of litigation. Bayer noted that funds for the settlement are covered by provisions.

The compliance processes have undergone continuous improvement in all areas of the company in the past years. In addition, employees receive regular training in order to promote understanding and compliance. As required by the CIA Bayer HealthCare will review and enhance these compliance programs and employee training.

Commenting on today's announcement, Arthur Higgins, Chairman of the Board of Management, Bayer HealthCare said, "We are satisfied that the issues in question in Bayer HealthCare Diabetes Care have been resolved. The last several years have been a period of continuing positive change and growth for our company," he continued, "and we are eager to move forward, focus on our current business and most importantly, continue to be a valued and respected Health Care provider."

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Forward-Looking Statements

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