



Investor News

Bayer HealthCare Completes Acquisition of Western OTC Cough and Cold Business of Topsun Science and Technology

Significantly Strengthens Consumer Care Division's Business
in High Growth Chinese OTC Market

Leverkusen, July 2, 2008 – Bayer HealthCare (BHC) announced today that BHC's Consumer Care Division has achieved the necessary regulatory approvals to complete the acquisition of the Western over-the-counter (OTC) cough and cold portfolio of Topsun Science and Technology Qidong Gaitianli Pharmaceutical Co., Ltd by Bayer Healthcare Company Limited in China. Bayer will pay Topsun RMB 1,072 million (approximately EUR 100 million) plus contingent payments of RMB 192 million (approximately EUR 18 million) subject to fulfillment of certain performance criteria.

This acquisition substantially increases Bayer Consumer Care's presence in China, one of the fastest growing OTC markets in the world. The personnel and assets related to the acquired business, including the Gaitianli manufacturing facility in Qidong City, JiangSu Province, and a national sales force and distribution network associated with the brands will transfer to Bayer Healthcare Company Limited and operate within the Consumer Care Division. Completion of the transaction is scheduled for July 1, 2008.

Commenting on the acquisition, Arthur Higgins, Chairman of Bayer HealthCare said, "With this transaction Bayer HealthCare follows its global strategy to invest in and grow in emerging markets such as China, one of the most dynamic OTC markets in the world. It further underscores our commitment to maintain a diversified healthcare portfolio incorporating both the pharmaceutical and consumer healthcare sectors."

Gary Balkema, President of Bayer HealthCare's Consumer Care Division, added, "the combined organizations, including our people, our brands and our manufacturing capabilities, create a bigger, stronger and more competitive entity better positioned to

succeed. We are delighted to close this transaction and kick-off our integration efforts immediately.”

The Cough & Cold portfolio of Topsun includes White and Black, a leading brand in an important consumer healthcare category, and will allow Bayer to compete more effectively in the OTC arena in China. 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 gastrointestinal, nutritional, dermatological and analgesic products such as Talcid[®], Redoxon[®], Canesten[®], Saridon[®], Elevit, Mycospor and BayAspirin plus C.

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[®]/Apranax[®], 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 Bayer HealthCare China

The Bayer HealthCare business enjoys a long history in China. The first production activity with Aspirin in Shanghai dated back in 1936. Today, with more than 2,700 employees, Bayer HealthCare is represented by 4 divisions in China, namely Bayer Schering Pharma, Consumer Care, Diabetes Care and Animal Health.

Bayer Healthcare Co. Ltd., and Schering Pharmaceuticals Ltd. completed legal integration on August 1, 2007. The new combined pharmaceuticals group is named Bayer Schering Pharma and focused on the following areas: Women's Healthcare, Diagnostic Imaging, Oncology/ Specialized Therapeutics and Primary Care.

With reliable and innovative products, Bayer HealthCare in China aims to make a strong contribution to medical progress and strives to improve the quality of life for Chinese people.

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