Bayer

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Investor News

Bayer completes acquisition of U.S. biologics manufacturing facility from Novartis

Berlin, September 14, 2007 — Bayer Schering Pharma AG, Germany, has completed the acquisition of a biologics manufacturing facility in Emeryville, California from Novartis. Bayer will manufacture its multiple sclerosis drug Betaseron® at the Emeryville site, retain full control of all manufacturing and process technology used in the production of Betaseron® (interferon beta-1b) and has retained the employees associated with the manufacture of the product.

As part of the transaction, which was announced in March 2007, Novartis has transferred manufacturing responsibility to Bayer Schering Pharma for Betaseron and has received a total one-time payment of approximately USD 200 million for the transfer of production equipment, inventory and the leasing of buildings at the site.

Bayer Schering Pharma will continue to pay Novartis royalties equivalent to those being paid currently on net sales of Betaseron® manufactured by Bayer at the Emeryville facilities until expiration of the original regulatory filing, development and supply agreement in October 2008. After this date, no more royalties will be due to Novartis on the sales of Betaseron®.

Bayer Schering Pharma will support Novartis in the regulatory filing process of a Novartis brand of the 250mcg version of interferon beta-1b. When approved by health authorities, Bayer Schering Pharma will supply the 250mcg version of interferon beta-1b to Novartis from 2009 forward and receive in return a double digit royalty payment from Novartis.

About Betaseron® / Betaferon®

Betaseron®, which is marketed outside the U.S. and Canada under the trademark Betaferon®, was the first disease-modifying drug introduced for MS and is a well-established treatment around the world. Betaferon® is indicated for the treatment of relapsing forms of multiple sclerosis to reduce the frequency of clinical exacerbations. Betaferon® has the broadest experience of any MS medication. In the U.S., Europe and Japan, the drug has been approved for all relapsing forms of MS. It is able to reduce the number of MS episodes by one-third, and the frequency of moderate to severe episodes by as much as 50 percent. Sixteen years' follow up of people treated with Betaferon® has shown that it is safe and well tolerated.

Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. 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. Find more information at www.bayerhealthcare.com.

Bayer Schering Pharma

Bayer Schering Pharma is a worldwide leading specialty pharmaceutical company. Its research and business activities are focused on the following areas: Diagnostic Imaging, Hematology/Cardiology, Oncology, Primary Care, Specialized Therapeutics and Women's Healthcare. With innovative products, Bayer Schering Pharma aims for leading positions in specialized markets worldwide. Using new ideas, Bayer Schering Pharma aims to make a contribution to medical progress and strives to improve the quality of life. Find more information at www.bayerscheringpharma.de.

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