Bayer

Investor News

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Bayer and Zydus Cadila sign Joint Venture Agreement to strengthen pharmaceutical business in India

Leverkusen, January 28, 2011 – Bayer HealthCare and the Indian company Zydus Cadila signed today an agreement in Mumbai, India, to form the Joint Venture Company Bayer Zydus Pharma. With this newly established marketing and sales enterprise, Bayer aims to enhance its presence in the fast growing pharmaceutical market in India. Each party will hold 50 percent of the shares of Bayer Zydus Pharma, and be equally represented on its management board.

For Bayer HealthCare the formation of Bayer Zydus Pharma is a crucial element of the company's strategy to build a stronger presence in the emerging markets. "With this step, we aim to significantly accelerate our capabilities to better serve the fast growing Indian market. We believe that the Joint Venture between Bayer HealthCare and Zydus Cadila will provide a win-win situation for both partners," said Dr. Jörg Reinhardt, CEO of Bayer HealthCare AG. "We expect to leverage on the strengths of the Joint Venture such as the optimized product portfolio and the distribution capabilities to enhance the launch of new products and the sales of existing brands."

Both partners will bring into Bayer Zydus Pharma a complementary product portfolio and specialized sales forces in women's healthcare, diagnostic imaging, and general medicines as well as oncology. The new company, headquartered in Mumbai, India, will furthermore combine Zydus Cadila's strong Indian marketing and sales expertise as well as excellent distribution and industry network with Bayer HealthCare's expertise in successfully commercializing novel products and sophisticated administration and sales processes according to international standards. In total some 600 employees, coming from both Bayer HealthCare as well as from Zydus Cadila, will join Bayer Zydus Pharma.

Bayer Zydus Pharma will operate in key segments of the Indian pharma market with a focus on: women's healthcare, diagnostic imaging, cardiovascular diseases, anti-diabetic

treatments, and oncology. Bayer Zydus Pharma's future product portfolio will not only include in-licensed and originator brands, but also patented pharmaceuticals from Bayer HealthCare's pipeline. The combined portfolio will encompass among others such popular brands as Glucobay®, Xarelto®, Nexavar® and Yaz/Yasmin® from Bayer HealthCare as well as products currently marketed by Zydus Cadila such as Euglim®, Progynova® and Ultravist®.

About 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 subgroup of Bayer AG with annual sales of EUR 15,988 million (2009), 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, Medical Care and Pharmaceuticals divisions. Bayer HealthCare's aim is to discover and manufacture products that will improve human and animal health worldwide. Bayer HealthCare has a global workforce of 53.400 employees and is represented in more than 100 countries. Find more information at www.bayerhealthcare.com.

About Zydus Cadila:

Zydus Cadila is an innovative global pharmaceutical company that discovers, develops, manufactures and markets a broad range of healthcare therapies. At the recently held Economic Times Awards for Corporate Excellence, Zydus Cadila won the award for the 'Emerging Company of the Year'. The group employs over 12,000 people worldwide and is dedicated to creating healthier communities globally. Additional information about Zydus is available at www.zyduscadila.com.

Find more information at www.bayerscheringpharma.de.

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