



Science For A Better Life

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Healthcare Conference

Building Growth Momentum in HealthCare

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Major Progress Achieved

Pipeline Progress

- Key late-stage pipeline assets progressed as planned or better
- Strong early- and mid-stage pipeline

Efficiency Improvement

- Savings program on track
- Targeting approx. €430m p.a.
- Pharma margin improved

Emerging Markets

- Double digit sales growth in 9M2011
- Expansion of marketing and sales organization

Consumer Health

- Strong growth of key brands
- 13 consumer brands with annual sales of > €100m each (FY 2010)

Challenges For Our Healthcare Business Going Forward



Pressure on sales / earnings

- Increasing generic competition
- Healthcare reforms

Significant investment requirements

- Promising late-stage pharma pipeline
- Several market introductions
- Emerging markets growth
- Consumer Health expansion



Outlook 2011 projects below market growth in Pharma

Resourcing organic growth



Building Growth Momentum

	Priority	Opportunity
1	Pharma-pipeline / Launches	4 potential blockbuster products to be launched near-term ¹
2	Emerging Markets	High-single to double-digit growth
3	Consumer Care	Positioned for above-market growth
4	Radiology & Interventional ²	Synergy creation through integration

¹ Subject to approval of Xarelto, VEGF Trap-Eye, Regorafenib & Alparadin as expected

² New unit will combine Diagnostic Imaging (contrast media) and MEDRAD (injection devices)

1. Promising Late-Stage Pharma Pipeline



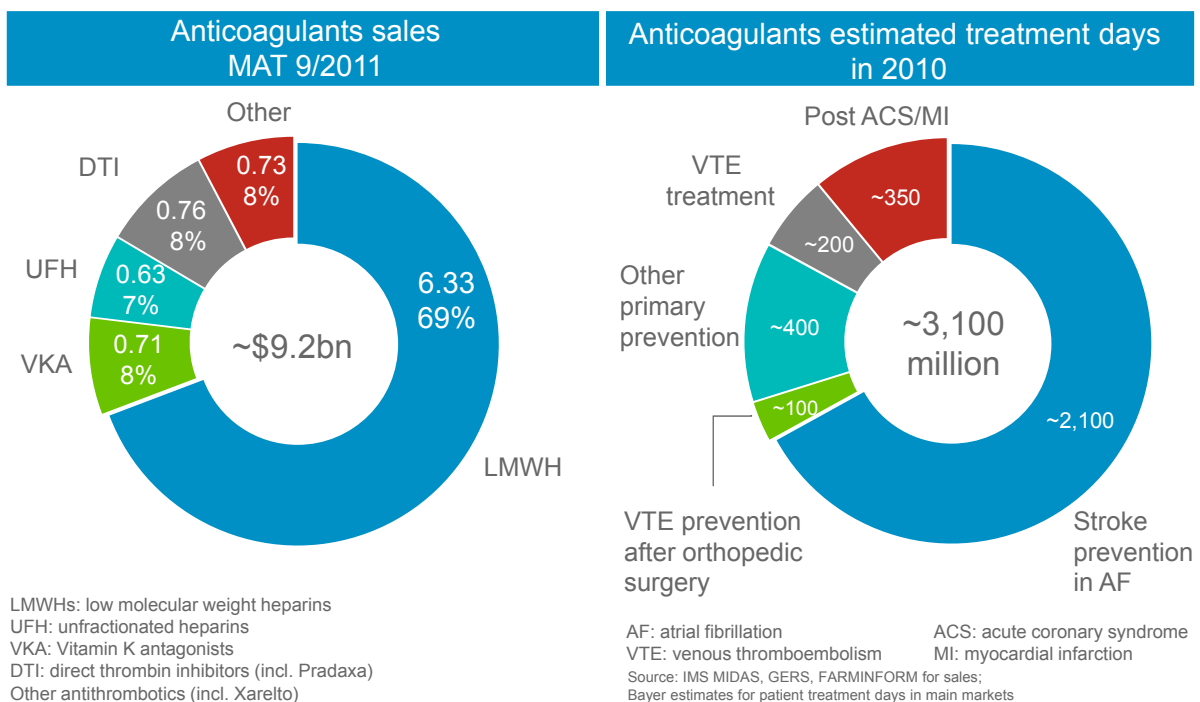
		What it does	Status
Cardiology	Xarelto	inhibits blood clot formation	launched, filed, phase III
	Riociguat	lowers blood pressure in the lung	phase III
Oncology	Nexavar	inhibits enzymes important for tumor growth	launched, additional indications in phase II/III
	Regorafenib	inhibits enzymes important for tumor growth	CORRECT trial (phase III) in CRC stopped early on success, phase III (GIST)
	Alparadin	targeted treatment of bone metastases in prostate cancer	ALSYMPCA trial (phase III) stopped early on success
Eye Diseases	VEGF Trap-Eye	inhibits formation of new blood vessels	1st indication filed; phase III

Xarelto – Novel Direct Factor Xa Inhibitor



- Large global program involving over 75,000 patients
- Met or exceeded primary efficacy endpoints in 9 phase III studies:
 - RECORD 1-4; EINSTEIN DVT and EINSTEIN Extension; Rocket AF; ATLAS TIMI 51; MAGELLAN
- Marketing & regulatory status:
 - Launched in >85 countries (incl. Europe and the US) for VTE prevention following total knee / hip replacement surgery
 - Launched in the US after approval for stroke prevention in patients with atrial fibrillation (SPAF)
 - Launched in Europe after approval for SPAF and DVT treatment
- ATLAS ACS-TIMI 51 Phase III trial met primary efficacy endpoint and showed significant reduction in mortality (>30%); filed for secondary prevention of ACS in Europe and the US
- EINSTEIN PE phase III program ongoing – data expected early 2012

Xarelto – Above €2bn Commercial Opportunity¹



VEGF Trap-Eye – Fusion Protein To Combat Eye Diseases



- In-licensed from Regeneron – Bayer has exclusive marketing rights ex-US
- Met primary efficacy endpoint in 4 phase III studies (VIEW I & II, Copernicus & Galileo)
- Submitted for marketing approval in more than 10 countries incl. EU and Japan for wet age related macular degeneration (AMD)¹
- Filing for central retinal vein occlusion (CRVO) planned for 2012
- Additional studies in diabetic macular edema (DME) and myopic choroidal neovascularization (CNV) ongoing
- Start of SIGHT-Study in China – phase III for wet AMD

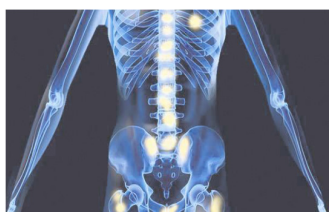


¹ Regeneron Pharmaceuticals holds US rights, FDA approval November 2011

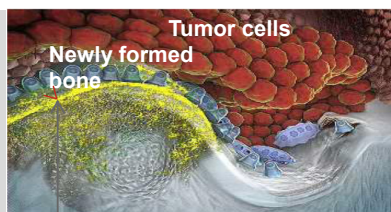
Alpharadin – New Opportunity to Treat Bone Metastases



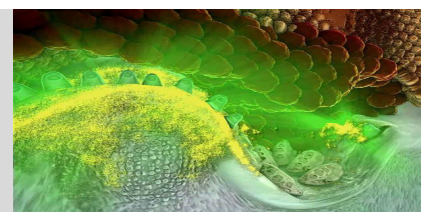
- Alpha-pharmaceutical (based on Radium-223, delivering highly energetic, short ranging radiation) - in-licensed from Algeta
- Radium as natural bone seeker targeting bone metastases
- ALSYMPCA (phase III) in patients with bone metastases in prostate cancer (CRPC) stopped early - Alpharadin demonstrated 44% improvement in overall survival
- Filing targeted mid 2012
- Fast track status granted by FDA



Bone metastases



Radium-223 deposition



Radium-223: highly localized tumor cell killing

Regorafenib – New Treatment Option in Cancer



- Oral multi-kinase inhibitor of angiogenic, stromal and oncogenic receptor tyrosine kinases
- Currently studied in late-stage clinical trials in metastatic colorectal cancer (mCRC) and gastrointestinal stromal tumors (GIST)
- CORRECT phase III trial in mCRC* stopped early on success (Oct '11)
 - Study met its primary endpoint of significantly improving overall survival
 - Full data to be presented at ASCO-GI congress in January 2012
 - Submission for marketing authorization in mCRC planned for 2012
- Phase III program in GIST ongoing, expect results early 2012
- FDA granted orphan drug (GIST) and Fast Track (GIST & mCRC) designation

* for patients whose disease has progressed after approved standard therapies

Four Potential Blockbuster Products Expected to be Launched Near-term



Project	Indications	Peak sales potential*
Xarelto	SPAF, other anticoagulation	> €2bn
VEGF Trap-Eye	wet AMD, DME, CRVO, myopic CNV	≥ €1bn
Alpharadin	Bone metastases in cancers	≥ €1bn
Regorafenib	mCRC, GIST, other cancers	≥ €1bn

* Subject to approval as expected



Strong Development Pipeline

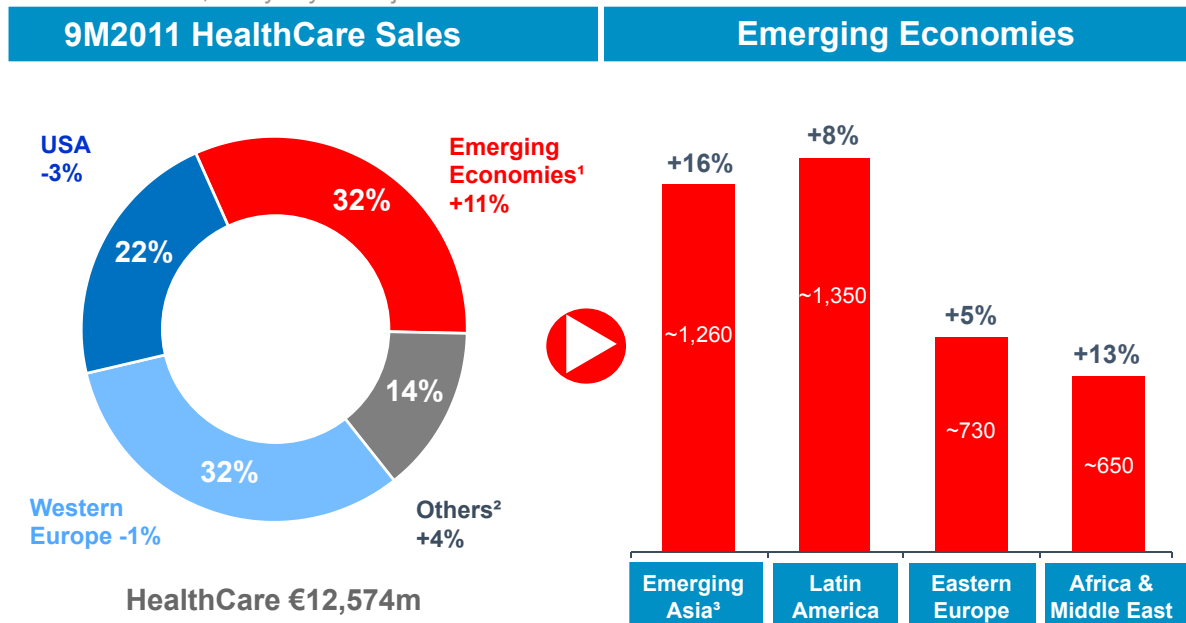
Phase I (14)		Phase II (9)		Phase III (21)	
Cancer BAY 80-6946 (PI3K Inhibitor)	Heart Failure BAY 1067197 (Part. Aden. A1 Agonist)	CHF BAY 94-8862 (MR Antagonist)	Additional Indications Nexavar	PAH Riociguat (sGC Stimulator)	ACS Xarelto
Cancer BAY 1000394 (CDK-Inhibitor)	Heart Failure BAY 86-9050 (Vasoppr. Rec. Antag.)	Cancer BAY 86-9766 (MEK-Inhibitor)	Lung Infection Cipro inhale	CTEPH Riociguat (sGC Stimulator)	VTE Treatment Xarelto
Cancer BAY 97-2243 (HIF1 α - Inhibitor)	Heart Failure BAY 1021189 (sGC Stimulator)	Atopic Dermatitis Mapracorat (SEGRA)	Gram-negative Pneumonia Amikacin inhale	Submental fat removal ATX-101	NSCLC Nexavar
Cancer BAY 94-9343 (Mesothelin-ADC)	Endometriosis BAY 1026153		Pulmonary Hypertension Riociguat (sGC Stimulator)	Bone Mets CRPC Alpharadin	Thyroid Cancer Nexavar
Anemia BAY 85-3934 (HIF-PH)	MCI BAY 94-9172 (Florbetaben)		Cancer Alpharadin	Skin and Lung Infections Tedizolid	Breast Cancer Nexavar
Sympt. Uterine Fibroids BAY 1002670 (S-PRAnt)			Cancer Regorafenib	mCRC Regorafenib	Adjuvant HCC Nexavar
Diagnostic Imaging PET-Tracer				GIST Regorafenib	Adjuvant RCC Nexavar
Hemophilia BAY 94-9027 (peg rFVIII)				Alzheimer PET Imaging BAY 94-9172 (Florbetaben)	Contraception FC Patch Low
Hemophilia BAY 86-6150 (rFVIIa)				Myopic CNV VEGF Trap-Eye	MRI LCM Gadovist
New molecular entities (NME)	Life cycle management (LCM)			DME VEGF Trap-Eye	VV Atrophy Vaginorm
				CRVO VEGF Trap-Eye	

Status as of December 2011
Table provides a selection of major pharma pipeline projects

2. Business Momentum in Emerging Markets



Sales in € million; $\Delta\%$ y-o-y Fx adjusted

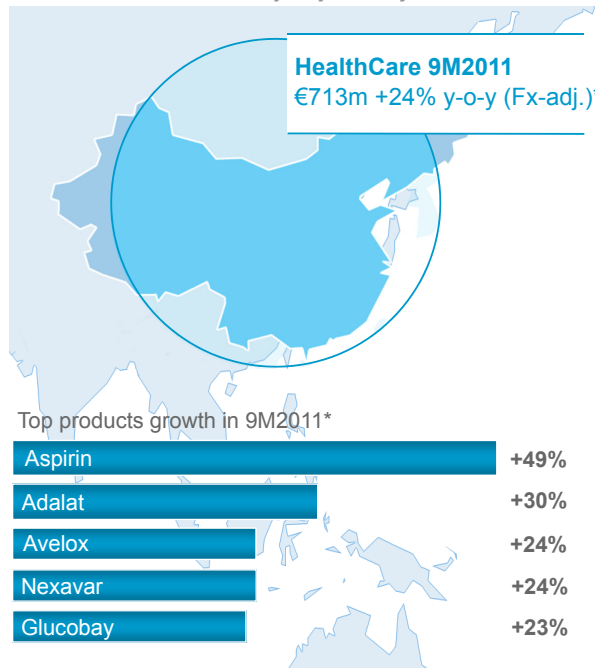


¹ Emerging economies include: Latin America, Asia w/o Japan, Australia, New Zealand, Africa and Middle East incl. Turkey, Eastern Europe ² Others = Japan, Australia, New Zealand, Canada ³ Emerging Asia = Asia without Japan, Australia, New Zealand

Bayer is One of The Leading International HealthCare Companies in China



Sales in € million; Δ% y-o-y Fx adjusted



Strong growth

- Driven by Pharmaceuticals
- ~1,000 sales representatives added in 2011

Significant investment commitment

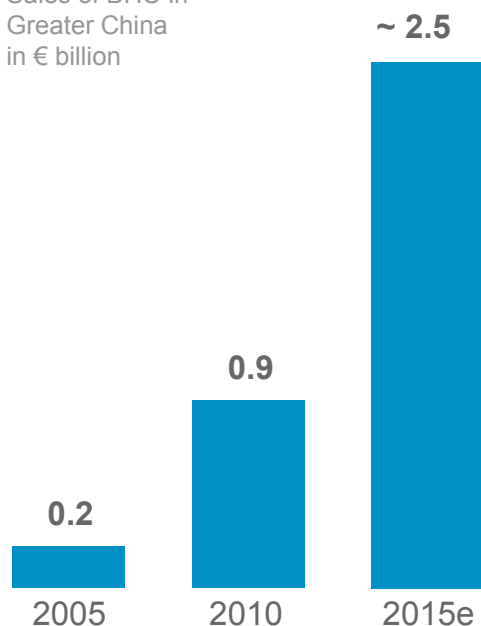
- Approx. 6,200 employees (Sept. 30, 2011)
- €100m over 5 years to set-up a global R&D center in China
- Beijing manufacturing site expansion (~€45m through 2015)
- Partnership with Tsinghua University (joint drug discovery, student support)

* People's Republic of China

Targeting Sales of ~€2.5bn in Greater China by 2015



Sales of BHC in Greater China in € billion

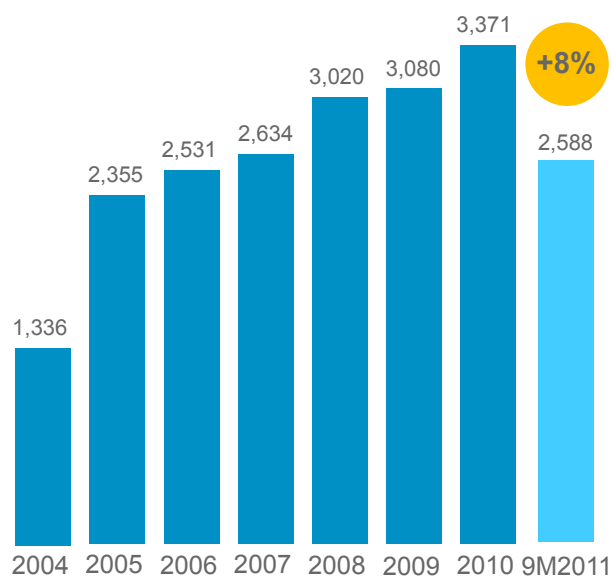


- IMS predicts annual pharma market growth in China of ~17% (2010-2015)
- Market growth drivers:
 - Increasing government healthcare funding
 - Growing and ageing population
 - Higher prevalence in chronic and lifestyle-related diseases
 - Increasing affordability of modern medicines
- Expanding market reach through business regionalization
- Global R&D center and global headquarters for Primary Care in China

3. Consumer Care – A Highly Attractive Market



Sales Consumer Care in € million;
Δ% y-o-y Fx and portf. adjusted



Highlights

- Global #2
- Track record of performance
- Some of the world's most recognized brands
- Acquired Roche OTC, Citracal, Sagsmel and Topsun
- Significant organic as well as inorganic growth opportunities

Strong Consumer Care Brands



Sales in € million; Δ% y-o-y Fx adjusted

Brand	9M2011 Sales	y-o-y Growth
ASPIRIN[®]	324*	+10%
ALEVE	209	+8%
Bepanthen[®]	175	+8%
Canesten[®]	168	+6%
ONE A DAY	127	+4%
Supradyn	101	+3%

* Only Aspirin CC sales, excluding Rx Aspirin Cardio

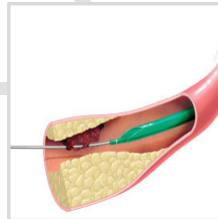
4. Radiology & Interventional – Combining Medrad and Diagnostic Imaging



Contrast Media



Fluid Injection Systems




Endovascular Devices

Highlights

Medrad:

- Clear #1
- Active in fluid injection systems for contrast media and endovascular devices
- Business strengthened around strategic core through adjacent acquisitions of Possis (thrombectomy) and Pathway (mechanical atherectomy)

Diagnostic Imaging:

- Clear market leader in contrast media
-  **Synergy creation through integration underway**

Summary



- Committed to building growth momentum in HealthCare
- Four potential blockbuster products expected to be launched near-term
- Strong development pipeline
- Excellent position in emerging markets
- Consumer Health businesses well positioned for attractive growth



Reporting Events and AGM

Date	Event	Publication
Tuesday, February 28, 2012	Investor Conference Call	2011 Annual Report
Tuesday/Wednesday, March 13 & 14, 2012	Meet Management, Leverkusen	Investor Conference
Thursday, April 26, 2012	Investor Conference Call	1 st Quarter 2012 Results Stockholders' Newsletter
Friday, April 27, 2012	Annual General Meeting	
Tuesday, July 31, 2012	Investor Conference Call	2 nd Quarter 2012 Results Stockholders' Newsletter
Tuesday, October 30, 2012	Investor Conference Call	3 rd Quarter 2012 Results Stockholders' Newsletter



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