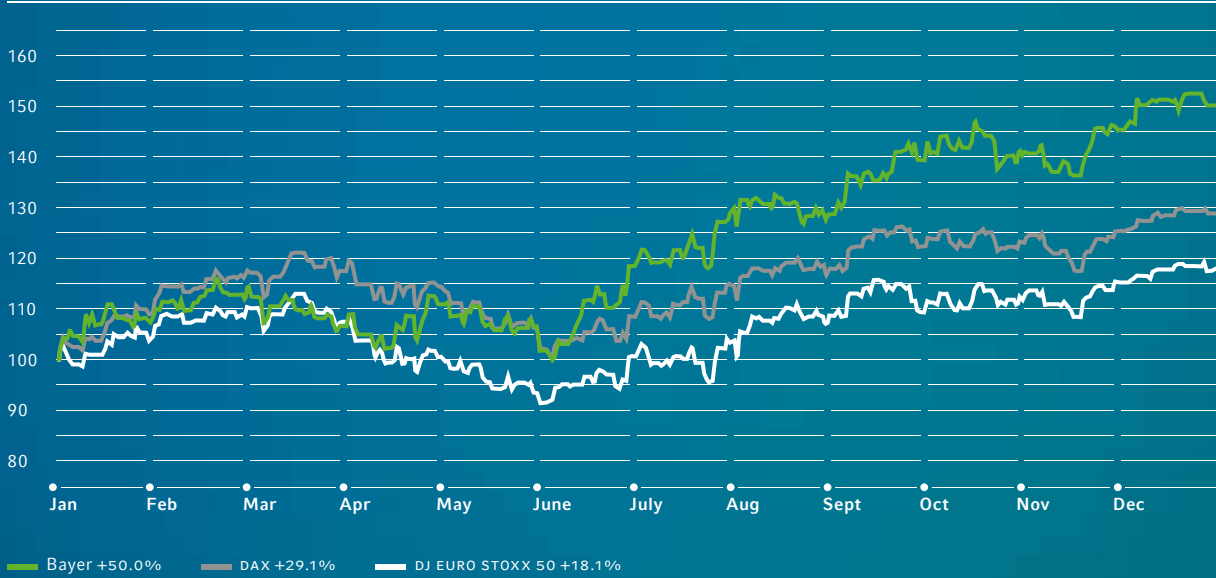


Investor Information

Performance of Bayer Stock in 2012

[Graphic 2.1]

(indexed; 100 = Xetra closing price on December 31, 2011; source: Bloomberg)



2012 was a very good year for the German capital market, and especially for Bayer stock. Our company's shares were among the top performers with a yield of 50 percent on the year. The German stock index DAX rose 29 percent.

The Board of Management and Supervisory Board propose a dividend increase to €1.90 per share for 2012.

The stock market in 2012

MARKETS POST STRONG GAINS

2012 was dominated by global economic uncertainty and considerable volatility on the stock markets. Having risen more than 20 percent in the early months of the year, the DAX lost ground between the end of March and the beginning of June, at times slipping below 6,000 points to a level only slightly above the start of the year. From late June, however, the markets recovered, posting substantial rallies in some cases. The DAX closed 2012 at 7,612 points for a gain of 29 percent on the year.

The European equities index EURO STOXX 50 (performance index) rose by around 18 percent, ending the year at 4,630 points. The U.S. and Japanese stock markets also performed positively in 2012, with the S&P 500 gaining around 13 percent and the Nikkei 225 rising nearly 23 percent.

STEEP RISE IN BAYER'S SHARE PRICE

Bayer stock rose 46 percent during the year, with strong gains in the second and third quarters. Including the dividend of €1.65 per share paid at the end of April 2012, the stock performance came in at 50 percent, placing it well ahead of the DAX. Bayer stock ended 2012 at €71.89, only just below its high for the year of €72.95, which was also its all-time high at that point.

The EURO STOXX Health Care Index (performance index) rose by 27 percent in 2012, while the EURO STOXX Chemicals Index (performance index) climbed by 33 percent. Bayer therefore significantly outperformed these two sector indices as well.

Trading in Bayer stock on the Frankfurt Stock Exchange declined to an average of 2.7 million shares per trading day in 2012. Bayer had the third-highest free-float market capitalization in the DAX at year end.

Bayer Stock Data

[Table 2.1]

		2011	2012
Earnings per share	€	2.99	2.96
Core earnings per share*	€	4.83	5.35
Gross cash flow per share	€	6.25	5.56
Equity per share	€	23.30	22.45
Dividend per share	€	1.65	1.90
Year-end price**	€	49.40	71.89
High for the year**	€	59.35	72.95
Low for the year**	€	36.82	47.97
Total dividend payment	€ million	1,364	1,571
Number of shares entitled to the dividend (Dec. 31)	million	826.95	826.95
Market capitalization (Dec. 31)	€ billion	40.9	59.4
Average daily share turnover on German stock exchanges	million	3.8	2.7
Price/EPS**		16.5	24.3
Price/core EPS**		10.2	13.4
Price/cash flow**		7.9	12.9
Dividend yield	%	3.3	2.6

* For details on the calculation of core earnings per share, see Combined Management Report, Chapter 7.3 "Core Earnings Per Share."

** Xetra closing prices (source: Bloomberg)

EXCELLENT REFINANCING CONDITIONS FOR BAYER ON THE BOND MARKET

Issue volume on the corporate bond market reached a record level in 2012, with interest coupons at a historic low. Investor demand for corporate bonds was excellent, especially in the investment grade segment, where Bayer covers a major part of its financing requirements. This was partly because this investment class generated higher yields than other classes such as government bonds, and partly because financial institutions scaled back their issue volumes and investors were looking for alternatives. Despite this very positive environment, market trends continued to depend on political developments, which caused short-term volatility and clouded the picture particularly around mid-year.

Companies nevertheless continued to benefit from the steady decline in interest rates and simultaneously low risk premiums. The development of risk premiums is apparent from the trend in credit default swaps (CDS) shown in Graphic 2.2. On the derivatives market, the price of these tradable insurance contracts, which are used to hedge against default of a borrower, show how market participants rate a company's credit standing. CDS can therefore be taken as an indicator of the credit margin when raising debt. As the chart shows, volatility was again high in 2012, with achievable financing terms varying during the year. Financing could be obtained at extremely low cost in historical terms in the first and last thirds of the year.

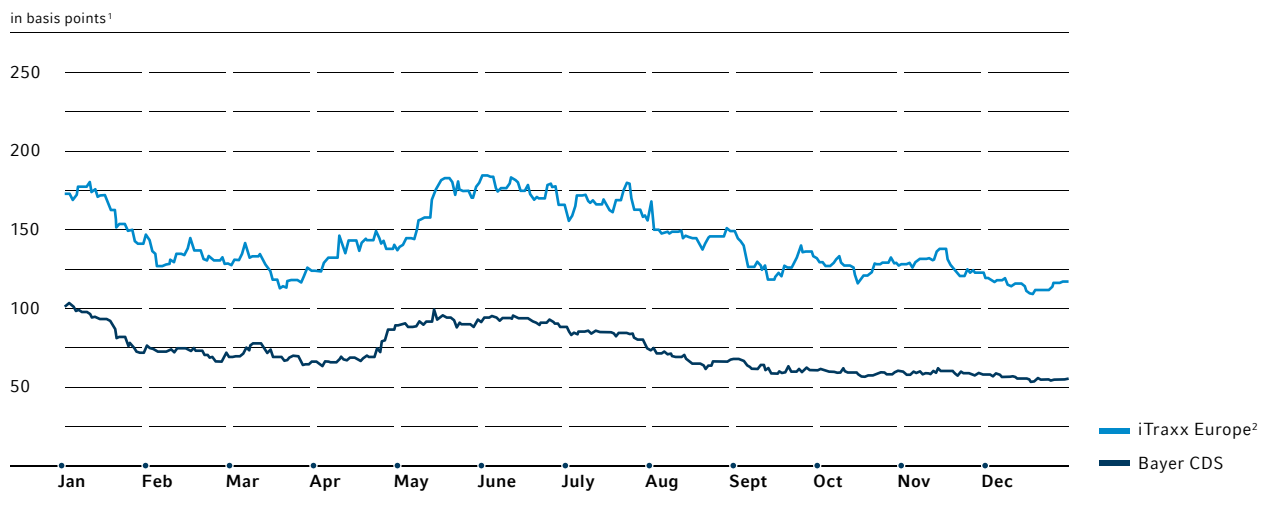
Bayer used this favorable environment to issue a five-year bond with a nominal volume of JPY 30 billion on attractive terms in April 2012. Financing activities in 2012 also featured the maturing of a €2 billion ten-year bond issued in 2002 to partially finance the acquisition of Aventis CropScience. This bond was redeemed out of operational liquidity without any direct follow-on financing. Further details of outstanding bonds are given in Note [27] to the consolidated financial statements.

SEE
CONSOLIDATED
FINANCIAL
STATEMENTS

Note [27]

Rates for Five-Year Credit Default Swaps (CDS) 2012

[Graphic 2.2]



¹ source: Bloomberg

² iTraxx Europe is a CDS index comprising the CDS of 125 companies (including financial institutions) with investment-grade ratings.

LONG-TERM RETURN ON BAYER STOCK REMAINS AHEAD OF THE MARKET

A long-term investor who purchased Bayer shares for €10,000 five years ago and reinvested all dividends would have seen the value of the position grow to €13,316 as of December 31, 2012, giving an average annual return of 5.9 percent.

Long-Term Returns on Bayer Stock in % p. a. (Dividends Reinvested)

[Table 2.2]

Annual returns	1 year 2012	3 years 2010–2012	5 years 2008–2012
	%	%	%
Bayer	+50.0	+11.8	+5.9
DAX	+29.1	+8.5	-1.2
DJ EURO STOXX 50	+18.1	-0.5	-6.5

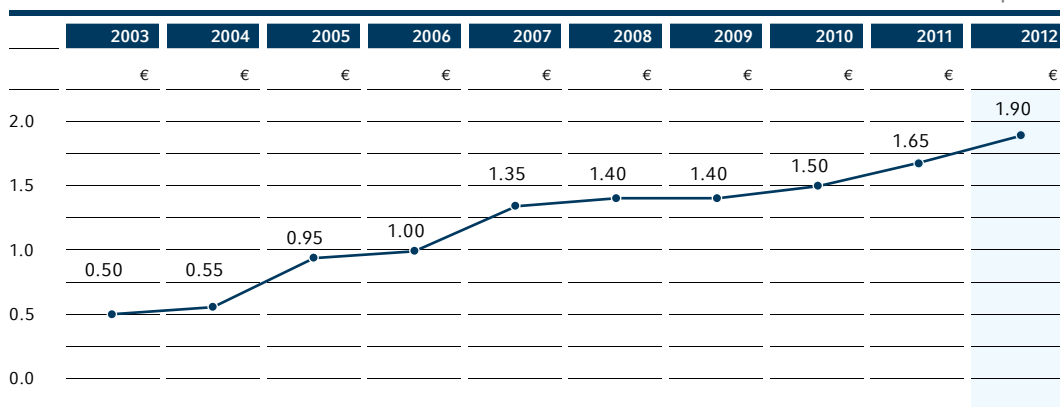
DIVIDEND INCREASE TO €1.90 PER SHARE

We again intend that our stockholders participate in the strong performance of our business last year. The Board of Management and the Supervisory Board will therefore propose to the Annual Stockholders' Meeting that the dividend be increased by €0.25 to €1.90 per share. This results in a payout ratio of nearly 36 percent calculated on core earnings per share, which is within the target corridor of 30 to 40 percent (for details on the calculation of core earnings per share, see Chapter 7.3 of the Combined Management Report).

The dividend yield calculated on the share price of €71.89 at year end 2012 amounts to 2.6 percent and the total dividend payment to €1,571 million.

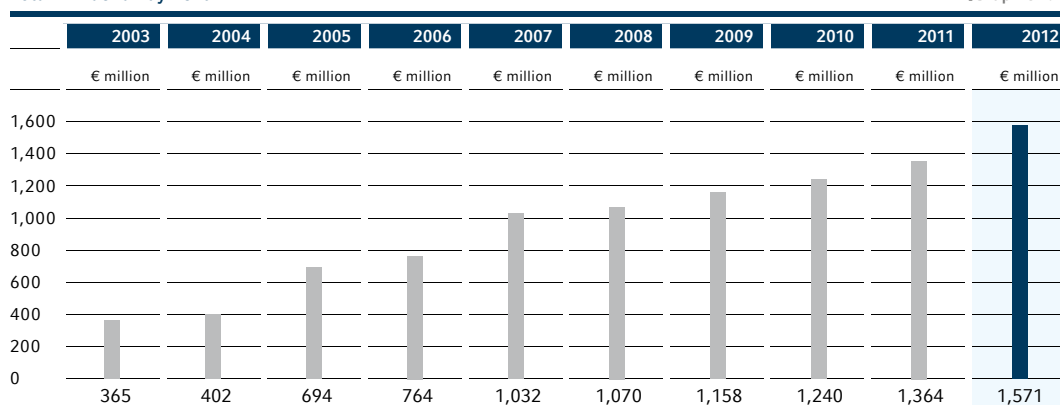
Dividends Per Share

[Graphic 2.3]



Total Dividend Payment

[Graphic 2.4]



SUSTAINABLE INVESTMENT

In 2012 Bayer again qualified for inclusion in major sustainability indices that assess companies on the basis of economic, ecological and social criteria. Bayer stock is represented, for example, in the Dow Jones Sustainability World and Europe indices, the FTSE4Good Global and Europe indices, the Advanced Sustainable Performance Indices Eurozone and the NYSE Euronext Low Carbon Europe 100 Index. In 2012 the Carbon Disclosure Project (CDP) included Bayer in its Carbon Disclosure Leadership Index (CDLI) for the eighth consecutive year. This time Bayer garnered the overall first place across all industry sectors jointly with another company. In addition, Bayer was again included in the Carbon Performance Leadership Index (CPLI) with an "A" rating in recognition of its efforts to reduce CO₂ emissions.

In 2012 we continued our dialogue about Bayer's sustainability commitment with market players whose investment decisions are aligned to ecological, social and governance criteria.

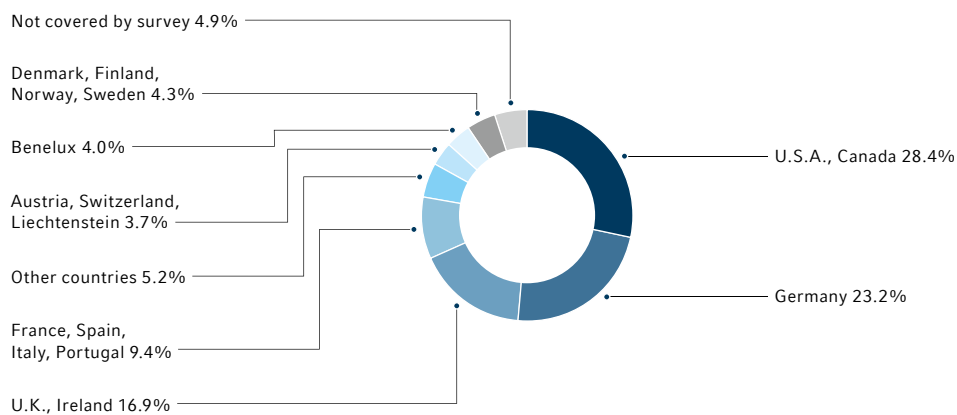
INTERNATIONAL OWNERSHIP STRUCTURE

At the end of 2012, approximately 280,000 stockholders were listed in our share register. Bayer has a 100 percent free float as defined by Deutsche Börse, the operator of the Frankfurt Stock Exchange.

An analysis of our ownership structure carried out in October 2012 shows the international distribution of our capital stock, with more than three-quarters of the shares held by foreign investors:

Ownership Structure by Country

[Graphic 2.5]



DIALOGUE WITH THE CAPITAL MARKET

In 2012 we stepped up our intensive dialogue with the capital market. We attended 21 broker conferences, held 21 roadshows – often accompanied by members of the Board of Management – and took part in several field trips, visiting a total of 26 financial centers.

"Meet Management" conferences for investors and analysts, which have been well established in Germany for some years, were also held for the first time in New York and Tokyo. The positive feedback on the direct dialogue with members of the management boards of Bayer AG and the subgroups spurs us to further internationalize this concept in the future.

We also participated in a number of private investor forums, where we had further opportunities to describe Bayer's business, innovations, products and perspectives to a large number of interested investors.



For more information on our investor relations activities go to WWW.INVESTOR.BAYER.COM