

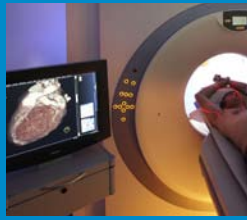
Science For A Better Life –  
Health through medical progress



Cover: Work at a rotation evaporator in cancer research. For some time now, multikinase inhibitors have been regarded as a source of hope for cancer patients.



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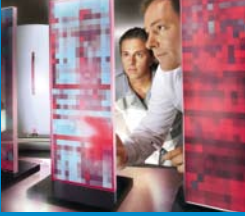
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## COMMITMENT TO HEALTH

### Our company at a glance

Bayer Schering Pharma is one of the ten largest specialty pharmaceutical companies in the world. We market our products in more than 100 countries, and in 2008 generated sales of over €10.7 billion.

Approx. 38,000 members of staff currently work for Bayer Schering Pharma worldwide – more than 5,600 in research and development alone. We aim to improve people's quality of life with our products. To achieve this, we concentrate on the research and development of innovative drugs and novel therapeutic approaches. At the same time, we are constantly improving established products. In this context, Bayer Schering Pharma uses experience it has gained from over a century in the business.

We concentrate on four business units in which we make essential contributions to medical progress:



#### Diagnostic Imaging

Contrast media for the precise and early detection of clinical pictures in CT and MR examinations



#### General Medicine

Products for high blood pressure, venous thromboembolism, coronary heart diseases, diabetes and infectious diseases, as well as erectile dysfunction and testosterone deficiency in men



#### Specialty Medicine

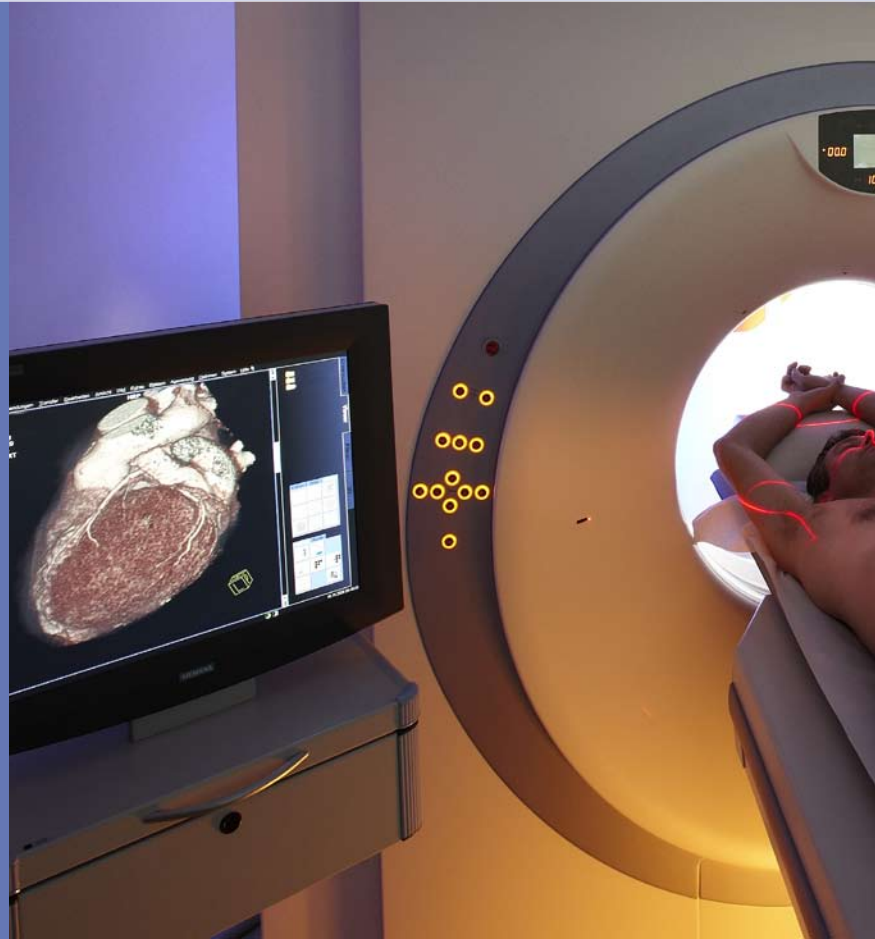
Treatment options for multiple sclerosis, hemophilia and certain types of cancer



#### Women's Healthcare

Hormonal contraception, menopause management and gynecological therapies

Our specific contrast media, used in combination with state-of-the-art technology, make it easier to diagnose and combat diseases.



## DIAGNOSTIC IMAGING

### **Detecting diseases early**

An early and exact diagnosis greatly influences the choice of the optimum treatment and can therefore have a positive effect on the therapeutic process. Our contrast media make it possible to take a precise look inside the human body, helping to quickly detect diseases in specific organs.

#### **Leader in MRI contrast media**

In addition to the classic X-ray procedure, various diagnostic methods are available to medicine today, such as computed tomography (CT), magnetic resonance imaging (MRI) and ultrasound. We are a global market leader in the field of in-vivo diagnostic agents with our X-ray and magnetic resonance imaging (MRI) products.

We are furthermore researching new procedures in molecular imaging, an important future field of medicine. By combining technical imaging procedures with our contrast media, we can confirm or – just as importantly – rule out suspected causes of patient disorders such as malignant tumors, other pathological tissue changes or arterial narrowing, saving patients from having to undergo unnecessary medical procedures.

Production of our innovative anticoagulant, which has been introduced in many countries in the meantime.



## GENERAL MEDICINE

### Partner for general practitioners and specialists

In its General Medicine business unit, Bayer Schering Pharma develops and markets products for prescription by both general practitioners and specialists. In this field we concentrate on drugs against high blood pressure, venous and arterial thromboembolism, coronary heart diseases, diabetes and infectious diseases, as well as erectile dysfunction and testosterone deficiency in men.

#### Cardiovascular Risk Management

Cardiovascular diseases are one of the main causes of disability and death. Our extensive range of products in the fields of blood-pressure monitoring, heart attack, stroke, and diabetes management helps physicians and patients not only to treat acute diseases, but also to prevent them.

#### Thromboembolism

Every year about 6.5 million people all over the world suffer from arterial or venous thromboembolism (VTE). Bayer Schering Pharma has researched and developed a promising product for preventing such life-threatening clots. In clinical studies with patients who have had hip- or knee-replacement surgery, we have demonstrated that our new oral direct Factor Xa inhibitor is more effective than the current standard treatment – while maintaining a similar safety profile. The active substance has already been approved and introduced in many countries for this indication.

A major clinical development program is evaluating the product's suitability for preventing and treating a wide range of acute and chronic blood-clotting disorders, including VTE treatment, stroke prevention in patients with atrial fibrillation, the secondary prevention of acute coronary syndrome, and VTE prevention in hospitalized, medically ill patients.

### Pulmonary hypertension

Pulmonary hypertension is a severe disease in which the pressure in the pulmonary artery, vein or capillaries is above normal. Often marked by a significant reduction in exercise tolerance, shortness of breath, dizziness and fainting, pulmonary hypertension can lead to heart failure and death. Bayer Schering Pharma is working on the development of drugs that dilate blood vessels and reduce blood pressure, also in patients suffering from pulmonary hypertension.

### Bacterial infections

We also offer effective active substances for fighting bacterial infections, such as respiratory- and urinary-tract infections. We are currently further enhancing two established active substances – one for pneumonia and another for lung infections in patients with cystic fibrosis – by using novel devices to transport the active substances directly to the site of the infection, deep inside the lung.

### Men's Healthcare

Almost 70 percent of men with erectile dysfunction have an underlying condition – such as high blood pressure, dyslipidemia or diabetes, which are often accompanied by low testosterone levels. In these cases, testosterone levels should be tested if erectile dysfunction is diagnosed. Bayer Schering Pharma offers a broad range of therapeutic options for these clinical pictures.

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Setting up distillation equipment for test purposes in the synthesis of a new active ingredient in the area of oncology.

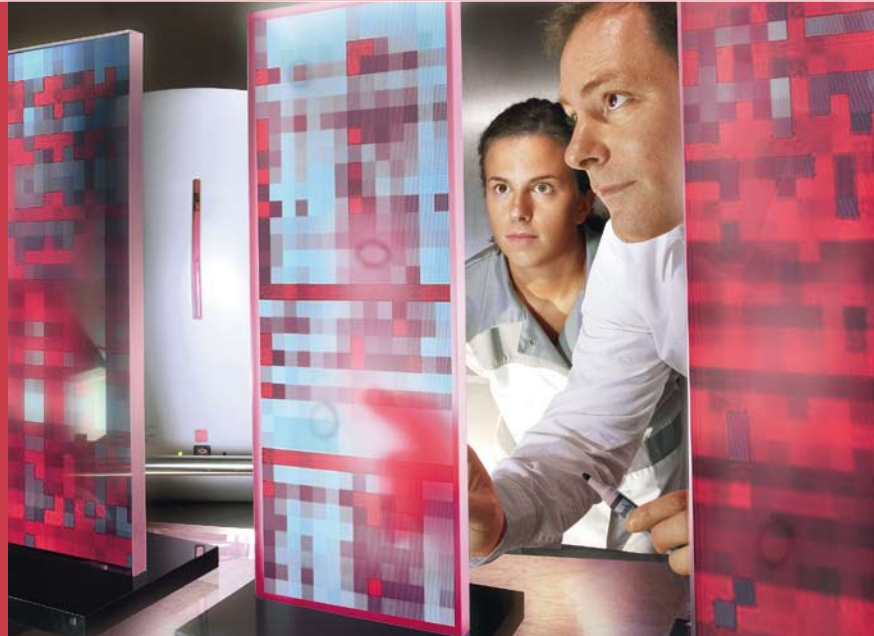


## SPECIALTY MEDICINE

### Alleviating the symptoms of serious illnesses

Our Specialty Medicine business unit delivers safe, effective and novel treatment options which can significantly improve the quality of life of people living with serious, chronic and life-threatening medical conditions. Our current portfolio includes treatments for multiple sclerosis (MS), hemophilia and certain types of cancer. In treating these diseases, we also back support programs and services for patients and their healthcare teams. Furthermore, we are developing innovative therapeutic options which address other illnesses, such as age-related macular degeneration.

A study of genetic activity during therapy with our drug for the treatment of multiple sclerosis. The scientists' aim is to identify biomarkers for successful treatment using the product.



### Multiple sclerosis

About 2.5 million people worldwide currently suffer from MS, a chronically inflammatory, usually intermittent disease of the central nervous system. We were the first company to offer a treatment option for this autoimmune disease. Our product can reduce the frequency of relapses and in this way delay the progression of the disease.

### Hemophilia A

Hemophilia A is a rare genetic blood-clotting disorder which primarily affects men. Although there is no cure, this disease can be treated effectively by replacing the missing clotting factor VIII. Bayer Schering Pharma is one of the world's main suppliers of products to treat this hereditary disease. The focus of our research on hemophilia A is on developing a novel drug that remains in the body for longer, enabling prophylaxis patients to reduce the frequency of treatment.

### Cancer

Despite significant advances in the fight against cancer, a great medical need remains for therapies that can prolong life or improve the quality of life for cancer patients. The ability to develop innovative approaches to combating uncontrolled cell growth and proliferation improves as science's understanding of the various mechanisms behind each type of cancer deepens. Our development pipeline includes several targeted antibodies and small molecules for combating various types of cancer.

The development of selective cancer therapies has led to decisive improvements in the way cancer is treated – for example with drugs that inhibit cell division and simultaneously disrupt the tumor's supply of blood. Bayer Schering Pharma has a novel oral therapy which has been approved in many countries for treating both liver and kidney cancer. This therapy is being evaluated in a wide range of other cancers, including breast, colorectal and lung cancer.

### Macular degeneration

Age-related macular degeneration is one of the most common, non-infectious causes of blindness. We are developing a product for treating this eye disease with the aim of significantly improving and permanently stabilizing the patients' acuity of vision.

Examination of ovum-cumulus complexes, which act as helper cells in supporting oocyte maturation and ovulation.



## WOMEN'S HEALTHCARE

### Specialist in women's health

Building on almost 100 years of expertise, Bayer Schering Pharma is today a leading provider in women's healthcare. We focus on three key areas: contraception, menopause management and gynecological therapies.

#### Contraception

Bayer Schering Pharma is the global market leader in the field of hormonal contraception. Our wide range of innovative contraceptives enable women to make a conscious decision on the size of their families and to choose what is best for them from several options. These include low-dose oral contraceptives with additional health benefits, e.g. the first contraceptive "Pill" to be approved in many countries for three indications: oral contraception, moderate acne, and the emotional and physical symptoms of premenstrual dysphoric disorder (PMDD, a severe form of premenstrual syndrome). A further product scheduled for launch in 2009 will be the first oral contraceptive to offer the same estrogen as the kind produced by a woman's body.

#### Menopause management

Menopausal symptoms can greatly impair a woman's quality of life. Bayer Schering Pharma offers women products which alleviate symptoms quickly and effectively, thus helping them to manage the menopause with a minimum of problems.

#### Gynecological therapies

In the field of gynecological therapies, Bayer Schering Pharma is developing new treatment options for diseases with high unmet medical need, e.g. endometriosis (growth of uterine lining tissue outside the uterine cavity) and myomas (benign tumors of the uterus musculature). Recently, we have submitted a specific therapy for endometriosis for approval in Europe.

Preparation of samples for automated RNA interference analyses.



## RESEARCH AND DEVELOPMENT

### Innovations for better health

Our research focuses mainly on therapeutic areas with significant unmet medical need. Every year we invest between 15 and 17 percent of our total net sales in research and development. In drug discovery we concentrate on new treatments in the fields of cancer, cardiovascular diseases and gynecological therapies, as well as new approaches to molecular imaging.

#### New and further developments

To develop new drug candidates in these areas we focus on identifying and optimizing small molecules and developing new biologics.

In addition to engaging in research on innovative drug candidates and the clinical development of new active substances, we also further enhance products that have already been approved. This product-accompanying development, also known as life-cycle management, aims to exploit a drug's full potential, for example by extending its range of application to other indications or improving its tolerability for patients.

#### Innovation and success with excellent partners

One important aspect of our strategy is cooperation with external partners in science and industry who have specialized knowledge and are willing to join us in taking on the challenges of developing and marketing new products. We collaborate with our global network of partners in all phases of the value chain – from research and development to production and marketing. In this way we can successfully and sustainably contribute to improving therapies together.

Explaining the use of oral contraceptives at Kajiado District Hospital, Kenya.



## SOCIAL COMMITMENT

### Acting responsibly

Our social commitment concentrates on enabling people to access the medicines they need. We also collaborate with governmental and non-governmental organizations worldwide on health-education and disease-prevention projects.

#### Providing access to medicines

We are committed to reducing disparities in healthcare and giving people access to important medicines. A differential pricing scheme that takes each recipient country's disease burden and level of development into account can sustainably improve access to medicines.

#### Promoting reproductive health

Together with our cooperation partners, we make sure that patients in poorer countries, too, can access a broad range of family-planning methods.

#### Fighting neglected and tropical diseases

We cooperate with the World Health Organization (WHO) in the fight against tropical diseases, e.g. supporting them in the campaign against the hitherto neglected Chagas' disease, an infection that affects millions of people in Latin America. We are also actively involved in establishing new therapies to combat African sleeping sickness. Furthermore, nine million people worldwide still contract tuberculosis every year. In collaboration with the Global Alliance for TB Drug Development we are participating in the development of a therapy against this bacterial infection which will significantly shorten treatment times.

#### Cultivating societal dialog

We are consistently and regularly exchanging information with our partner organizations and with government players in the field of healthcare. We also draw people's attention to important challenges in the health sector by launching health-education projects.

#### Getting involved in social collaborations

We are part of numerous public-private partnerships aimed at giving people access to drugs, developing new drugs in the fight against the huge disease burden in developing countries, and launching health-education projects.

## Members of the Board of Management | Responsibilities

**Andreas Fibig** Chairman of the Board of Management

**Prof. Dr. Andreas Busch** Global Drug Discovery; Labor Director

**Dr. Ulrich Köstlin** Regions

**Dr. Kemal Malik** Global Development

**Dr. Bernd Metzner** Central Administration & Organization

## Bayer Schering Pharma AG

**Business activities** > 100 countries worldwide

**Sales in 2008** > €10.7 billion

**Number of staff** > 38,000, thereof in research and development > 5,600

### Main research locations

#### Germany

- Berlin (Diagnostic Imaging, Oncology, Women's Healthcare)
- Wuppertal/Cologne (Cardiology, Oncology)

#### United States

Berkeley, California (Applied research and life cycle management in hemophilia and MS)

### Production locations

Europe, United States, Latin America, Asia

**Research & development expenditure in 2008**

> €1.5 billion

## Our best-selling products in 2008

| PRODUCT NAME                 | BUSINESS AREA      | NET SALES €m |
|------------------------------|--------------------|--------------|
| YASMIN® / YAZ® / YASMINELLE® | WOMEN'S HEALTHCARE | 1,222        |
| BETAFERON® / BETASERON®      | SPECIALTY MEDICINE | 1,144        |
| KOGENATE® (INCL. HELIXATE®)  | SPECIALTY MEDICINE | 848          |
| ADALAT®                      | GENERAL MEDICINE   | 626          |
| AVALOX®/ AVELOX®             | GENERAL MEDICINE   | 462          |
| NEXAVAR®                     | SPECIALTY MEDICINE | 462          |
| MIRENA®                      | WOMEN'S HEALTHCARE | 462          |
| LEVITRA®                     | GENERAL MEDICINE   | 341          |
| CIPRO®/ CIPROBAY®            | GENERAL MEDICINE   | 338          |
| GLUCOBAY®                    | GENERAL MEDICINE   | 304          |
| ASPIRIN CARDIO®              | GENERAL MEDICINE   | 270          |
| ULTRAVIST®                   | DIAGNOSTIC IMAGING | 261          |
| MAGNEVIST®                   | DIAGNOSTIC IMAGING | 241          |
| IOPAMIRON®                   | DIAGNOSTIC IMAGING | 199          |
| DIANE®                       | WOMEN'S HEALTHCARE | 164          |



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