



GEORGOFILI WORLD

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BAYER TO ACQUIRE MONSANTO FOR \$66B

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Acquisition realises a shared vision of integrated agricultural offerings, delivering enhanced solutions for growers and creates a leading innovation engine for the next generation of farming.



Bayer and Monsanto have announced that they have signed a definitive merger agreement

under which Bayer will acquire Monsanto for USD 128 per share in an all-cash transaction. Monsanto's Board of Directors, Bayer's Board of Management and Bayer's Supervisory Board have unanimously approved the agreement. Based on Monsanto's closing share price on May 9, 2016, the day before Bayer's first written proposal to Monsanto, the offer represents a premium of 44 percent to that price.

"We are pleased to announce the combination of our two great organizations. This represents a major step forward for our Crop Science business and reinforces Bayer's leadership position as a global innovation driven Life Science company with leadership positions in its core segments, delivering substantial value to shareholders, our customers, employees and society at large," said Werner Baumann, CEO of Bayer AG.

"Today's announcement is a testament to everything we've achieved and the value that we have created for our stakeholders at Monsanto. We believe that this combination with Bayer represents the most compelling value for our shareowners, with the most certainty through the all-cash consideration," said Hugh Grant, Chairman and Chief Executive Officer of Monsanto.

Enhanced Solutions for Growers

This transaction brings together two different, but highly complementary businesses. The combined business will benefit from Monsanto's leadership in Seeds & Traits and Climate Corporation platform along with Bayer's broad Crop Protection product line across a comprehensive range of indications and crops in all key geographies. As a result, growers will benefit from a broad set of solutions to meet their current and future needs, including enhanced solutions in seeds and traits, digital agriculture, and crop protection.

The combination also brings together both companies' leading innovation capabilities and R&D technology platforms, with an annual pro-forma R&D budget of approximately EUR 2.5 billion. Over the mid to long-term, the combined business will be able to accelerate innovation and provide customers with enhanced solutions and an optimized product suite based on analytical agronomic insight supported by Digital Farming applications. These are expected to result in significant and lasting benefits for farmers: from improved sourcing and increased convenience to higher yield, better environmental protection and sustainability.

"The agriculture industry is at the heart of one of the greatest challenges of our time: how to feed an additional 3 billion people in the world by 2050 in an environmentally sustainable way. It has been both companies' belief that this challenge requires a new approach that more systematically integrates expertise across Seeds, Traits and Crop Protection including Biologicals with a deep commitment to innovation and sustainable agriculture practices," said Liam Condon, member of the Board of Management of Bayer AG and head of the Crop Science Division.

“We are entering a new era in agriculture – one with significant challenges that demand new, sustainable solutions and technologies to enable growers to produce more with less. This combination with Bayer will deliver just that – an innovation engine that pairs Bayer’s crop protection portfolio with our world-class seeds and traits and digital agriculture tools to help growers overcome the obstacles of tomorrow. Together Monsanto and Bayer will build on our proud tradition and respective track records of innovation in the agriculture industry, delivering a more comprehensive and broader set of solutions to growers,” said Grant.

(see: Agrigenomics news, 15th September 2016 -

<http://www.technologynetworks.com/AgriGenomics/news.aspx?ID=196118>)