

Bayer offers \$62 bn for Monsanto

FRANKFURT: German drugs and crop chemicals group Bayer has offered to buy U.S. seeds company Monsanto for \$62 billion in cash, defying criticism from some of its own shareholders in a bid to grab the top spot in a fast-consolidating farm supplies industry.

The unsolicited proposal, which includes debt, would be the largest foreign takeover by a German company if accepted.

The move, which would eclipse a planned combination of Dow Chemical and DuPont's agriculture units, comes just three weeks after Werner Baumann took over as Bayer CEO and was condemned by a major shareholder as "arrogant empire-building" when news of the proposal emerged last week.

Giving details for the first time, Bayer said on Monday



MEGA DEAL: Bayer also forecast synergies from the deal would boost annual earnings by around \$1.5 billion.— FILE PHOTO: REUTERS

it would offer \$122 per share, a 37 per cent premium to Monsanto's stock price before rumours of a bid surfaced. "We fully expect a positive answer of the Monsanto board of directors," Mr. Baumann told reporters on a conference call, describing

criticism from some investors as "an uneducated reaction in the media" when deal terms were not yet known.

Monsanto, which said last week it had received an approach from Bayer, has yet to comment on the offer.— Reuters