

Bayer says Covestro unit to go public in Q4

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German chemicals and pharmaceuticals giant Bayer said Friday that it plans to float its polymers business Covestro on the stock exchange in the fourth quarter of this year.

"Bayer has taken the decision to proceed with an Initial Public Offering (IPO) of Covestro, a world-leading polymers company formerly known as Bayer MaterialScience," the company said in a statement.

Covestro would be listed on the regulated market segment of the Frankfurt [stock exchange](#).

The offering would consist solely of new shares issued by Covestro by way of a capital increase, which would be offered publicly in Germany and Luxembourg to private and institutional investors, Bayer explained.

"Subject to capital market conditions, Covestro's IPO is expected to be completed in the fourth quarter of 2015," the statement said.

"We have been evaluating the optimal way for the separation of the MaterialScience business and believe that an IPO delivers clear benefits for both Bayer and Covestro and their stakeholders," said Bayer chief executive Marijn Dekkers.

"This transaction will allow both businesses to pursue their strategic goals."

Covestro would use the proceeds from the IPO primarily to repay

intercompany debt to Bayer, the statement added.

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