



Ad-hoc-Report according to § 15 WpHG

Bayer successfully placed a EUR 2 billion subordinated mandatory convertible bond

Leverkusen, March 29, 2006

Bayer Capital Corporation B.V., Mijdrecht has today successfully placed a EUR 2 billion bond, mandatorily convertible into shares of Bayer AG, with institutional investors.

The mandatory convertible bond is subordinated and enjoys a subordinated guarantee from Bayer AG., The bond will mandatorily convert into new shares, created from the existing conditional capital of Bayer AG, at maturity in June 2009. The mandatory convertible bond will be issued without pre-emptive rights for existing shareholders.

The main terms of the mandatory convertible bond include a 6.625% coupon, a minimum conversion price of EUR 33.03 and a conversion premium of 17%, resulting in a maximum conversion price of EUR 38.64.

The minimum conversion price equals the volume weighted average price of Bayer AG shares from start of trading until pricing of the transaction today. Bayer AG will benefit from an increasing share price up to the maximum conversion price as a lower number of shares will have to be issued on conversion.

The net proceeds will be used among others as part of the financing of the intended acquisition of Schering AG and is part of the previously announced equity capital raising measures of up to EUR 4 billion.

Bayer AG
Board of Management

Bayer AG
D-51368 Leverkusen
Germany

ISIN: DE0005752000
WKN: 575 200

Listing: Official market Frankfurt sub-segment entailing additional post-admission obligations (Prime Standard) Berlin-Bremen, Düsseldorf, Hamburg, Hannover, München und Stuttgart; Swiss Exchange; London; Madrid; New York

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Important information

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