



Investor News

Existing plants expanded and investment in China accelerated:

Bayer MaterialScience significantly increases Makrolon® production

1,000,000 tons capacity expected by end of 2005, further expansion on the horizon

Leverkusen / May 10, 2005 – Bayer MaterialScience AG is expanding its global production capacity for the high-tech plastic Makrolon®. The company already increased the capacity of its world-scale plants in 2004 and at the start of 2005 by a total of 60,000 tons in order to satisfy the large increase in demand. A further 60,000 tons of capacity will come on stream by the end of 2005. The construction work required to achieve this is already at an advanced stage. By the end of 2005, Bayer MaterialScience AG's global capacity for Makrolon® is supposed to increase to more than 1 million tons a year. The annual capacities for individual sites will be as follows: Baytown (USA) 260 kt, Antwerp (Belgium) 240 kt, Uerdingen (Germany) 330 kt and Map Ta Phut (Thailand) 220 kt.

In addition, the company plans to speed up investments in a new USD 450 million Makrolon® plant at its integrated production site in Caojing, near Shanghai (China). A compounding plant for polycarbonates and polycarbonate blends with a capacity of 40,000 tons will come on stream in mid-2005. The initial stage of 100,000 tons Makrolon® capacity will probably follow at the start of 2006. Total Makrolon® capacity of 200,000 tons a year, originally planned for 2009, is expected to be reached in the course of 2007.

“These measures underscore our long-term commitment to polycarbonates and highlight our determination in this field,” said Dr. Hagen Noerenberg, Chairman of the Board of Management of Bayer MaterialScience AG.

The background to the global expansion of production is the high demand for polycarbonates. The company forecasts global annual growth of between eight and ten percent for coming years. "We want to keep pace with this growth and are therefore urgently looking into options for further expansion of our Makrolon[®] capacity above and beyond the measures already announced," said Dr. Günter Hilken, head of the Polycarbonates Business Unit at Bayer MaterialScience. He believes his Business Unit is well equipped to tackle the future: "We are globally positioned. We have the expertise and technology to construct efficient world-scale plants and production lines. We offer a complete product portfolio of polycarbonates and are driving the process of innovation within our sector." Bayer MaterialScience re-invests more than three percent of its polycarbonate sales back into research and development, a high amount in this industry.

Thanks to its exceptional characteristics, Makrolon[®] is the material of choice for many high-tech applications in the electrical engineering/electronics industry, construction sector, automotive industry and in the field of packaging and medical technology products. It is practically unbreakable, lightweight, impact resistant even at low temperatures, as transparent as glass and displays a high level of heat resistance. Polycarbonate is mixed with other plastics for a diverse range of applications and supplied as blends. Polycarbonate films and sheets are also becoming increasingly important.

Bayer MaterialScience AG, which belongs to the Bayer Group, achieved sales of EUR 8.6 billion in 2004 and is a leading manufacturer of high-tech materials and innovative system solutions used in countless everyday products. At present, a large part of the company's sales is already achieved with products that occupy leading positions on the global market. Consumer industries include automotive manufacturers and suppliers and companies from the fields of electrical engineering/electronics, construction and lifestyle, and sport and leisure. The company has production facilities at 40 sites around the world and a workforce of approx. 17,900.

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