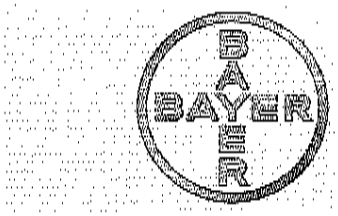
Bayer



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Investor News

Innovative liposome technology

Bayer Completes Investigational New Drug filing with FDA For Longer-Acting Kogenate® Product

Company ready to begin Phase I clinical trials with hemophilia A patients

Leverkusen – Bayer HealthCare Biological Products Division (BP) announced today it will begin Phase I clinical trials of its longer-acting Kogenate® product, the first factor VIII product of its kind to be granted permission by FDA to be used in clinical trials for hemophilia. The product, which uses PEGylated liposome technology licensed from Zilip-Pharma, represents an opportunity for a major breakthrough in hemophilia treatment based on a longer time of activity, which could result in weekly, or even less frequent, infusions in prophylaxis.

"Advancing the longer-acting Kogenate® product through clinical development is one of our highest priorities," said Joseph Akers, President, Bayer Biological Products Division. "We believe this product has the potential to dramatically shift current treatment paradigms while improving treatment convenience." Currently, individuals with hemophilia on prophylaxis infuse factor VIII product as often as three times per week.

This development program follows an agreement between Bayer BP and Zilip-Pharma to develop and commercialize a longer-acting recombinant factor VIII product. The new Kogenate® formulation will utilize Zilip-Pharma's proprietary PEGylated liposomal technology. Formulating the new product with PEGylated liposomes is expected to provide a longer time of activity in the body, resulting in less frequent infusions. Liposomes have been used successfully with other approved pharmaceuticals. Previous clinical results obtained by Zilip-Pharma outside of the

United States suggest a prolonged protection from bleeding episodes — one week or more — occurs when factor VIII, attached to liposomes, is administered to individuals with hemophilia A.

Dr. Jerry Powell, M.D., from the UC Davis Medical Center in Sacramento, Calif. and Dr. Diane Nugent, M.D., from the Children's Hospital of Orange County in Orange, Calif., will be the investigators fort he Phase I trial. "This is an exciting development for the hemophilia community,"said Dr. Nugent. "A treatment option that would result in less frequent dosing, say, once weekly or less, represents a major advance in hemophilia care, significantly improving convenience for patients."

Michael Fournel, Senior Vice President, Research and Development (R&D) at Bayer BP, commented on the importance of moving this new product to Phase I clinical trials. "This is a treatment that has the potential to revolutionize hemophilia care, providing individuals with hemophilia and their families greater freedom to live the lives they choose."

About Kogenate® FS/ KOGENATE® Bayer

Kogenate® FS/KOGENATE® Bayer (Antihemophilic Factor [Recombinant], Formulated with Sucrose), is a recombinant factor VIII treatment for hemophilia A that offers fast and convenient infusions by utilizing a small 2.5 mL volume diluent. Kogenate® FS/KOGENATE® Bayer does not use albumin in its purification or formulation and includes a solvent/detergent viral inactivation step, thereby further reducing the potential risk of viral transmission. Kogenate® FS/KOGENATE® Bayer is manufactured at Bayer BP's headquarters and state-of-the-art biotechnology facility in Berkeley, Calif.

About Hemophilia

Approximately 400,000 people around the world have hemophilia. Hemophilia is an inherited bleeding disorder characterized by prolonged or spontaneous bleeding, especially into the muscles, joints, or internal organs. The disease is caused by deficient or defective blood coagulation proteins, known as factor VIII or IX. The most common form of the disease is hemophilia A, or classic hemophilia, in which the clotting factor VIII is either deficient or defective. Hemophilia B is characterized by deficient or defective factor IX.

About Bayer HealthCare AG

Bayer HealthCare AG, a subgroup of Bayer AG with sales of approximately €8.5 billion in 2004, is one of the world's leading, innovative companies in the health care and medical products industry.

The company combines the global activities of the divisions Animal Health, Biological Products, Consumer Care, Diagnostics, Diabetes Care and Pharmaceuticals. 35,300 people were employed by Bayer HealthCare worldwide in 2004.

Our aim is to discover and manufacture innovative products that will improve human and animal health worldwide. Our products enhance well-being and quality of life by diagnosing, preventing and treating disease.

Leverkusen, June 29, 2005

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