Bayer

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Investor News

Bayer creates a provision in the amount of 275 million euros for civil antitrust actions

Leverkusen / December 6, 2005 – Bayer has reached agreements in principle to settle a number of the civil antitrust actions claiming damages which are currently pending against it in the United States and which are related to the Polymers-Business and described in its Interim Reports of 2005 and in other disclosures. Certain of these agreements, once finalized, are subject to court approval.

Bayer will create a provision in the fourth quarter of 2005 in the amount of 275 million euros in respect of the actions covered by these agreements.

As the financial risk associated with the remaining actions is currently not quantifiable, it was not possible to take accounting measures with respect to these litigations as a whole. Bayer expects that, in the course of the remaining governmental proceedings and civil actions, additional expenses will become necessary that may also be of material importance to the company.

The company deeply regrets the violations of law. Bayer cooperated with the authorities in investigating the anticompetitive behavior. Bayer adopted a global program for legal compliance and corporate responsibility in 1999 and tightened it in 2004. The program includes, for example, a requirement for employees to report suspected violations; this may be done anonymously via a telephone hotline if desired. In this code of conduct employees are again warned that the company is obligated to observe the laws and regulations in all countries. Violations of the compliance program will not be tolerated.

Leverkusen, December 6, 2005

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Forward-looking statements

This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in our public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including our Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

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Investor News

Landmark Study Demonstrates Benefits of Prophylactic Treatment Regimen in Hemophilia A

Results from Multi-year Clinical Trial Shows Improved Joint Outcomes in Young Children Using Kogenate® FS

Leverkusen / Dezember 12, 2005 – In the first and only randomized clinical trial of its kind presented today at the 47th Annual Meeting of the American Society of Hematology, children with hemophilia A (factor VIII deficiency) were randomized to receive every other day therapy with Kogenate® FS (Antihemophilic Factor [Recombinant] Formulated with Sucrose) (prophylaxis group) showed improved joint function and decreased bone and cartilage damage in comparison to those who were intensively treated with Kogenate® FS in response to a joint bleeding episode (on-demand group). Kogenate® FS is a hemophilia A treatment produced by the Biological Products (BP) Division of Bayer HealthCare.

"The 'Joint Outcome Study' is a truly unique study in several regards. It is the first and only study of its kind to be conducted with a recombinant factor VIII product. The information we are obtaining is extremely comprehensive and will help treaters and parents make informed decisions about how best to manage hemophilia in these young boys," said Marilyn Manco-Johnson, M.D., Principal Investigator of the study. "This is the first prospective study that provides convincing evidence in support of prophylaxis in the treatment of hemophilia," continued Dr. Manco-Johnson, who is with the Mountain States Regional Hemophilia and Thrombosis Center at the University of Colorado at Denver and Health Sciences Center.

Hemophilic arthropathy, or joint damage caused by repeated bleeding into the joints, is one of the most disabling and costly long-term consequences facing patients with hemophilia. Retrospective patient reviews have suggested that regular infusions of factor VIII given to prevent bleeding episodes may reduce the development of hemophilic arthropathy when initiated in young patients prior to the onset of permanent joint damage.

Landmark Study

This prospective study, which was initiated in August 1996 and conducted at 15 hemophilia treatment centers in the United States, enrolled 65 boys with hemophilia A between the ages of 6 months and 30 months. The study was supported by funding from the Centers for Disease Control and Prevention and the National Institute of Health. Bayer BP provided Kogenate® FS for the trial. The children were randomized to receive either a prophylaxis regimen consisting of Kogenate® FS 25 IU/kg every other day or intensive on-demand treatment consisting of Kogenate® FS 40 IU/kg at the time of a joint bleeding episode followed by 20 IU/kg infusions at 24 and 72 hours after the bleed, with additional infusions possible until resolution of bleeding. The children were followed until the age of 6 years. At age 6, children were assessed for bone or cartilage damage using X-ray and magnetic resonance imaging (MRI) of damage-prone joints (elbows, knees, and ankles). The study also assessed joint function, number of joint hemorrhages, and amount of Kogenate® FS consumed.

Of the 65 children, data was available for the evaluation of 30 children in the prophylaxis group and 31 children in the on-demand group. Prophylaxis patients had significantly fewer joint hemorrhages per year and overall number of bleeds per year compared to patients treated on-demand (joint bleeds mean 0.51 vs. 5.1, respectively; total bleeds mean 1.5 vs. 13.7, respectively). When evaluated by MRI at the age of 6 years, 93% of children in the prophylaxis group had joints that appeared normal, compared to 58% of patients treated on-demand. This translated to an 84% reduction in the risk for joint damage in patients who received prophylaxis from an early age (relative risk for on-demand treatment, 6.29 [95% confidence interval, 1.6-26.6). Bone or cartilage damage was confirmed in 2 of 30 (6.7%) of children in the prophylaxis group compared to 13 of 31 (41.9%) of those in the on-demand group. Interestingly, although there was a modest correlation between MRI scores and the frequency of joint bleeds ($R^2 = 0.13$, n = 346 joints), some children (18.8%) developed joint damage despite no evidence for a joint hemorrhage, and 25% had joint damage after between 1 and 5 joint bleeds. This suggests that subclinical hemarthroses may be occurring and leading to joint damage. As expected, the prophylaxis regimen required greater consumption of Kogenate® FS than on-demand treatment (mean number of infusions per year was 171 vs 48, respectively).

The study also incorporated several new techniques for the evaluation of disease parameters in hemophilia, including sensitive new physical and imaging scales to detect the earliest signs of joint damage in young children. The development and validation of

these measures are expected to add significantly to the comprehensive clinical care of children living with hemophilia.

Dr. Manco-Johnson added, "This study exemplifies an extraordinary contribution of effort from these patients and families, from the CDC for their management and support, from Bayer for their generous provision of all factor used in this study, and from the co-investigators and study coordinators."

Recognizing the importance of the trial and its potential impact on hemophilia care, Dr. Manco-Johnson is planning to conduct an extension to the Joint Outcome Study that will follow the original patients until 18 years of age. "The value of the continuation trial cannot be overstated since a similar cohort may never be constructed again. Furthermore, following these children into adulthood to confirm the value of prophylactic treatment in preventing joint disease, the most serious morbidity of hemophilia, will provide invaluable information," said Dr. Manco-Johnson.

"We recognize the unprecedented value of this trial and are pleased with the study results," said Eduard Gorina, M.D., Head of the Medical Department at Bayer BP. "We remain committed to supporting clinical research that will advance knowledge and the state of care of hemophilia."

Other examples of Bayer BP's leadership in supporting clinical research for hemophilia have included ongoing studies of quality-of-life assessments in children and adults, and efforts to characterize issues related to inhibitor development. Bayer BP also is focusing on longer-term research that includes development of a recombinant factor VIII molecule that requires less frequent dosing for prophylaxis.

About Kogenate® FS/KOGENATE® Bayer

Kogenate® FS/KOGENATE® Bayer Antihemophilic Factor (Recombinant), is a recombinant factor VIII treatment currently indicated for the treatment of hemophilia A in which there is a demonstrated deficiency of activity of the plasma clotting factor VIII. Kogenate® FS provides a means of temporarily replacing the missing clotting factor in order to correct or prevent bleeding episodes, or in order to perform emergency or elective surgery in hemophiliacs. Through the 17-year clinical experience with Kogenate® FS/KOGENATE® Bayer or its predecessor product, Kogenate®, there have been no confirmed cases of virus transmission attributed to either product. Kogenate® FS/KOGENATE® Bayer is manufactured at Bayer BP's 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, a subgroup of Bayer AG, is one of the world's leading innovative companies in the health care and medical products industry. In 2004, the Bayer HealthCare subgroup generated sales amounting to some EUR 8.5 billion.

The company combines the global activities of the Animal Health, Biological Products, Consumer Care, Diagnostics, Diabetes Care and Pharmaceuticals divisions. 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, December 12, 2005

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Investor News

Investor conference in London on research and development:

Wenning: "We have great confidence for the future"

- Phase III study with Nexavar® to treat lung cancer
- Oral thrombosis drug entering Phase III with once-daily dose
- Sales forecasts raised for Kogenate® and Trasylol®
- New CropScience active ingredients have sales potential of EUR 2 billion
- MaterialScience a global trendsetter in plant capacity and process efficiency

Leverkusen / December 8, 2005 – The Bayer Group's alignment toward innovation and growth is also bearing fruit in the area of research and development (R&D). "The company has made considerable progress in all of its business areas and developed promising new products and processes," said Management Board Chairman Werner Wenning on Thursday at an investor conference in London. "We have great confidence for the future." Wenning described research and development as a cornerstone of Bayer's corporate strategy. Bayer will invest a total of roughly EUR 1.9 billion in R&D this year.

At the start of the conference, Wenning presented some important results of Bayer's research activities. "In the Pharmaceuticals Division, our pipeline has the potential to transform this business," the Bayer CEO said, adding that Phase III clinical testing of the new cancer drug Nexavar® (active ingredient: sorafenib) is scheduled to begin in the first half of 2006 for the additional indication of lung cancer. "This raises the product's sales potential to more than EUR 1 billion," Wenning explained. Bayer is currently initiating Phase III development of the oral Factor Xa inhibitor for the prevention of venous thromboembolism with a once-daily dose. This drug also has blockbuster potential.

In addition, Wenning raised the sales forecasts for two well established products. For Kogenate®, Bayer now expects peak sales exceeding EUR 1 billion, in part as a result of new formulations. For Trasylol®, Wenning put the sales potential at more than EUR 500

million. He said the company is expecting additional growth through the use of the product in a broader spectrum of surgical procedures.

According to Wenning, Bayer CropScience leads the market in terms of agrochemical innovations. Here Bayer foresees sales potential of EUR 2 billion from new active ingredients. Bayer MaterialScience also has a number of very interesting innovations, Wenning said, including developments in the automotive and electro/electronics sectors. He explained that this subgroup is also a technology leader in the production of polycarbonates and polyurethanes and the development of innovative applications.

Bayer HealthCare has high hopes for Nexavar® and Factor Xa inhibitor

Bayer HealthCare accounts for the largest share of the Bayer Group's research budget, at 50 percent. "We have realigned our pharmaceutical research and development, and our innovations in HealthCare are playing a key role in reinforcing Bayer's position as an inventor company," said Arthur Higgins, Chairman of the Executive Committee of Bayer HealthCare. Milestones for 2006 include the expected market launch of Nexavar® in the United States and Europe for the treatment of advanced kidney cancer and continuing systematic development of the active ingredient for use in liver cancer and melanoma. The substance is already in Phase III clinical testing for these indications, and a Phase III study in lung cancer is scheduled to begin in the first half of 2006. This increases the cancer drug's annual sales potential to more than EUR 1 billion.

Dr. Wolfgang Plischke, Head of the Pharmaceuticals Division, announced in addition that Bayer HealthCare has launched the Phase III study program for the oral Factor Xa inhibitor (BAY 59-7939) for the prevention of venous thromboembolism with once-daily administration of 10 milligrams. Plischke said the company had decided on this dose after evaluating a further clinical study. "The data showed a convincing result for the once-daily dose in terms of effectiveness and with regard to the safety profile. This not only allows us to offer patients effective thrombosis prophylaxis combined with the greater flexibility of oral administration, but also makes the product more convenient to use." It is also planned to launch the Phase III study program in chronic indications – the treatment of venous thromboembolism and the prevention of stroke in atrial fibrillation – during 2006.

The company is optimistic about its current early-stage drug candidates, too. In the coming year, Bayer HealthCare expects the results of proof-of-concept studies – data on initial proof of efficacy in humans – for seven Phase I projects in the cardiovascular risk

management and cancer indications. For three projects, Phase II testing is expected to begin by the end of 2006.

The growth drivers at Bayer HealthCare include not just new products, but also proven medicines such as Kogenate® and Trasylol®, whose sales potential the company aims to further exploit through systematic life-cycle management. One example is the development of a new Kogenate® formulation with extended efficacy based on liposome technology. Phase II and III studies are expected to provide further data in this area starting in 2006. The company now puts the sales potential for its recombinant hemophilia drug Kogenate® at more than EUR 1 billion.

Trasylol® can minimize the need for blood transfusions during open heart surgery, and it is hoped to expand sales if the product can be used during other surgical procedures as well. Currently ongoing Phase III studies are expected to show whether Trasylol can also reduce the number of blood transfusions needed during major orthopedic surgery. A further focus of Bayer HealthCare's life-cycle management is the switch to a new production process for this product. The company plans to manufacture the protein active ingredient by a biotechnological method in the future instead of from natural sources.

Promising pipeline at Bayer CropScience

Bayer CropScience has introduced 16 new crop protection active ingredients to the market since 2000. "We achieved sales of EUR 642 million with these substances just in the first nine months of 2005," said BCS Management Board member Dr. Bernward Garthoff. Together with ten other substances that the company expects to launch by 2011, Bayer CropScience expects peak sales potential of around EUR 2 billion with products from its research pipeline.

A particularly important role will be played by the fungicide prothioconazole, which has already been successfully launched in Germany and a number of other European countries under brand names such as Proline®, Input® and Prosaro®. The active ingredient belongs to a new class of fungicides, and has the potential to achieve peak sales of more than EUR 300 million. This brings Bayer one step closer to its goal of becoming the number one supplier on the fungicides market. In 2006 Bayer CropScience intends to launch Proline® onto the market in France, Belgium, the Netherlands, Hungary, Poland and other countries.

Plant biotechnology is a further focus of research at Bayer CropScience. "We believe that biotechnology will be one of the most important technologies of the 21st century,"

Garthoff explained. In this connection, Bayer is pursuing new research approaches, including plants with improved stress tolerance – for use in very hot climates, for example – and the development of health-promoting canola oils. Future projects also include the manufacture of materials based on renewable sources, as well as the production of therapeutic proteins in plants in the context of "plant-made pharmaceuticals." The BioScience research of Bayer has already produced successful products such as high-yield InVigor® canola and FiberMax® cotton seed.

Bayer MaterialScience invests roughly EUR 330 million in research

Bayer MaterialScience invests roughly EUR 330 million annually in research and customer-specific development. In 2004 this subgroup generated more than 20 percent of its EUR 8.6 billion in sales with products younger than five years old. The company registers between 200 and 250 patents a year. Its areas of focus in research lie in the Polycarbonates and Polyurethanes business units.

"We see good growth opportunities for automotive applications," explained Ian Paterson, who is the BMS Management Board member responsible for Marketing and Innovation. The automotive market will continue to grow, driven mainly by demand in Asia. Furthermore, the proportion of polymers in cars will also increase, particularly as a substitute for metals. Bayer MaterialScience aims to benefit on a higher-than-average scale from this trend through new applications.

In a number of examples, Paterson referred to self-healing automotive coatings and future areas of application for Makrolon® polycarbonate. The use of this polymer – for example in glazing or engineering components – not only enables weight reduction and thus energy savings, but also opens up new dimensions in design freedom.

Bayer MaterialScience generates 16 percent of its total sales in the electro/electronics segment. Here too, Makrolon® plays a major role. It is the material of choice particularly for optical data carriers such as CD and DVD formats, and will be involved in future developments in this sector. Makrolon® enables new formats to be realized, such as the Blu-ray Disc with a storage volume of up to 25 gigabytes. Yet the development of optical data storage media goes even further: Bayer MaterialScience is already researching new generations such as "near-field recording", which will enable capacities exceeding 100 gigabytes, or holographic storage media with up to 1,600 gigabytes of storage volume.

Paterson also emphasized the leadership role played by Bayer MaterialScience in the area of process innovations. According to the BMS Board member, this is a key reason why

the company is a world leader in the production of high-tech materials. In order to be commercially successful with such large volumes in the highly competitive polymers market, it is essential for BMS to maintain or achieve cost and technology leadership. Key factors here include the cost-effective purchase of raw materials and energy, competitive locations and above all efficient processes and the know-how to operate world-scale facilities.

Breakthroughs achieved by Bayer, such as high-efficiency phosgenation for isocyanates or IMPACT technology in the polyether-polyol process, are examples of how innovations have improved production processes and reduced conversion costs. The company also sets new standards in terms of world-scale production capacities. For example, Bayer is currently the only polycarbonates producer capable of operating production lines with a capacity of 100 kilotons per year. The company is currently building another production unit at its site in Caojing near Shanghai, China.

"The research achievements of all three subgroups underscore Bayer's innovative capability," concluded Wenning. "In view of the future growth perspectives of our portfolio, we are convinced that our businesses can achieve a benchmark level and thus create additional value."

Note:
The Investor Conference will be transmitted on the Internet from around 9.30 a.m. CET. The charts can also be downloaded from there: *www.investor.bayer.com*

Leverkusen, December 8, 2005

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47th Annual Meeting of the American Society of Hematology:

Novel, oral Factor Xa inhibitor (BAY 59-7939): Positive results of Phase II once-daily study presented

10 mg once-daily dose to be studied in Phase III clinical trials for prevention of venous thromboembolism (VTE)

Leverkusen / December 13, 2005 – Bayer HealthCare (BHC) announced major results of a large, once-daily (OD) dose finding study of BHC's novel, oral, direct Factor Xa inhibitor (BAY 59-7939) for prevention of venous thromboembolism (VTE) in patients undergoing hip replacement surgery at the 47th Annual Meeting of the American Society of Hematology (ASH). Based on these positive data, Bayer HealthCare recently announced that a 10 mg once-daily regimen is to be studied in Phase III clinical trials for prevention of VTE. Bengt Eriksson, Orthopedic Surgeon at the Sahlgrenska University Hospital/Östra, Gothenburg, Sweden and Principal Investigator of the trial presented the data at the ASH meeting in Atlanta/USA.

All doses of BAY 59-7939, across the wide 8-fold dose range studied (5–40 mg once-daily), were effective compared with the current gold standard of 40 mg subcutaneous enoxaparin once daily. The primary efficacy endpoint was determined as a composite of any DVT, objectively confirmed pulmonary embolism (PE), and all-cause mortality. The results for the primary efficacy endpoint for BAY 59-7939 reached 6.4–14.9% vs. 25.2% for enoxaparin. No dose arm had to be discontinued due to efficacy or safety concerns.

In terms of safety, a significant dose response was demonstrated for BAY 59-7939 concerning the primary safety endpoint. The primary safety endpoint was defined as the incidence of major, post-operative bleeding ($p=0.039$) not later than two days after the last intake of study drug. The two lowest doses of BAY 59-7939, 5 and 10 mg showed similar rates of major bleeding to enoxaparin (2.3% and 0.7% for BAY 59-7939). Based

on these data the optimal dose - defined by both efficacy and safety - is 10 mg once-daily for prevention of venous thromboembolism (VTE) after major orthopedic surgery.

"Oral BAY 59-7939 once-daily holds considerable clinical promise based on the phase II data in VTE prevention after elective hip replacement surgery. The once-daily dosing decision could be made based on data from several dose finding trials with both twice daily (BID) and OD regimens including more than 2.800 patients. The comparison of all BID and OD studies indicated that safety might be further enhanced by choosing the OD treatment. Very importantly, these studies indicate that BAY 59-7939 does not require monitoring of blood coagulation or dose adjustment in VTE prevention," said Bengt Eriksson, Principal Investigator of the trial.

Study Design:
The ODIXa-OD.HIP study was a randomized, double-blind, dose-finding study and was performed to compare the efficacy and safety of once-daily, oral BAY 59-7939 with subcutaneous enoxaparin for VTE prevention in patients undergoing total hip replacement. The study included 873 Patients which were randomized to receive once-daily, oral BAY 59-7939 (5, 10, 20, 30, or 40 mg) starting with the first dose given 6–8 hours after surgery, or subcutaneous enoxaparin (40 mg OD), starting the evening before surgery. Treatment continued for 5 to 9 days after surgery, mandatory bilateral venography was performed the following day. Patients were followed up 30–60 days after last dose of study drug.

Further Clinical Development of BAY 59-7939
BAY 59-7939 is being developed, in parallel, in three key indications: VTE prevention after major orthopedic surgery, VTE treatment and stroke prevention in atrial fibrillation.

The initiation of the phase III study program for BAY 59-7939 (10 mg od) for VTE prevention after major orthopedic surgery was announced on December 8. 2005 and involves several major studies – the so called RECORD studies (REgulation of Coagulation in major Orthopaedic surgery reducing the Risk of DVT and pulmonary embolism -PE) – enrolling more than 9.000 patients. The studies will compare oral BAY 59-7939 with subcutaneous enoxaparin for dosing regimens up to five weeks. At present, Bayer HealthCare is on track for filing for market authorization in late 2007.

A phase II dose-finding program with twice- and once-daily dosing for VTE treatment and stroke prevention in atrial fibrillation is ongoing. Data are planned to be presented

at a major scientific congress in the second half of 2006. Based on current plans filing for market authorization in these chronic indications is anticipated for 2009.

Bayer HealthCare and Ortho-McNeil Pharmaceutical, Inc., a Johnson & Johnson company, recently announced that they have signed an agreement to jointly develop and market BAY 59-7939 for the prevention and treatment of thrombosis. In the U.S. Ortho-McNeil will receive exclusive marketing rights for the cardiology, primary care and hospital specialty markets. BHC will retain an option to co-promote Bay 59-7939 in the hospital and specialty markets through its Specialty Pharmaceutical unit in the U.S. BHC will also retain sole marketing rights for the compound in countries outside the United States.

About Bayer HealthCare AG

Bayer HealthCare AG, a subsidiary of Bayer AG, is one of the world's leading, innovative companies in the health care and medical products industry. In 2004, the Bayer HealthCare subgroup generated sales amounting to some 8.5 billion Euro. The company combines the global activities of the divisions Animal Health, Biological Products, Consumer Care, Diabetes Care, Diagnostics and Pharmaceuticals. Bayer HealthCare employed 35,300 people worldwide in 2004. Bayer HealthCare's aim is to discover and manufacture innovative products that will improve human and animal health worldwide. The products enhance well-being and quality of life by diagnosing, preventing and treating diseases.

Leverkusen, December 13, 2005

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Dr. Wolfgang Plischke appointed to the Bayer Management Board

- Dr. Gunnar Riemann to head the Pharmaceuticals Division
- Peter Nicklin to take charge of the Animal Health Division

Leverkusen / December 14, 2005 – In its meeting today, the Supervisory Board of Bayer AG appointed Dr. Wolfgang Plischke (54), currently a member of the Bayer HealthCare Executive Committee and head of the Pharmaceuticals Division, as a member of the Board of Management of Bayer AG, effective March 1, 2006. Dr. Plischke is to succeed Dr. Udo Oels (62), who will start his pre-retirement leave following the Annual Stockholders' Meeting on April 28, 2006. Dr. Oels has been a member of the Management Board for ten years and holds responsibility for Innovation, Technology and Environment and represents the Asia/Pacific region.

Also, the Management Board of Bayer AG has decided to appoint Dr. Gunnar Riemann (47) to succeed Dr. Plischke as head of the Pharmaceuticals Division. Riemann currently heads the Animal Health Division. His successor there, also effective March 1, 2006, will be Peter Nicklin (42), who is at present responsible for Business Development at Bayer HealthCare. Both Riemann and Nicklin are members of this subgroup's Executive Committee.

Dr. Wolfgang Plischke was born in Stuttgart, Germany on September 15, 1951. He studied biology at Hohenheim University and obtained his doctorate in plant physiology at the Institute for Genetics there. Plischke started his career in 1980 with Bayer's subsidiary Miles Diagnostics, working first in the scientific department and then in marketing. In 1988 he was placed in charge of marketing in the Pharmaceuticals Business Group in Germany and in 1991 he was appointed to head International Strategic Marketing. In 1995 he became Managing Director of Bayer Yakuhin Ltd., Japan, with responsibility for Pharmaceuticals, Biological Products and

Consumer Care. In this capacity he was in charge of research and development, production and marketing.

From 2000 Plischke headed the Pharmaceuticals Business Group in North America and was a member of the Executive Committee of Bayer Corporation. In January 2002 he was appointed General Manager of the Pharmaceuticals Business Group at Bayer AG. He has been a member of the Bayer HealthCare Executive Committee and responsible for the Pharmaceuticals Division since July 1, 2002.

Dr. Plischke is married and has two sons.

Dr. Gunnar Riemann was born in Hameln, Germany, on October 26, 1958. He took a pharmacy degree and obtained his doctorate at Braunschweig Technical University and started his career with Bayer in 1986 in the Health Care business area's Institute for Pharmaceutical Technology in Leverkusen. He was manager of a pharmaceuticals production plant from 1987 to 1991. From 1991 to 1994 he headed OTC product development at the Bayer subsidiary Miles Inc., Elkhart, Indiana.

Riemann then returned to Leverkusen to head the Household Products Business Unit in the Consumer Care Business Group. In 1996 he was placed in charge of the Asia/South America region and from 1999 to September 2001 he headed the Consumer Care Business Group's activities in Europe. He was subsequently appointed President of the worldwide Biological Products Business Group, headquartered in Research Triangle Park, North Carolina. Riemann was also a member of the Executive Committee of Bayer Corporation. He has been responsible for the Animal Health Division since January 1, 2004, and a member of the Bayer HealthCare Executive Committee since July 2002.

Dr. Riemann is married and has three children.

Peter Nicklin, who holds British nationality, was born in Malaysia on January 30, 1963. He graduated from Lancaster University in the United Kingdom with an honors degree in finance and law. He worked at Price Waterhouse in London from 1985 to 1988 where he qualified as a chartered accountant.

Peter Nicklin's professional career in the medical industry began in 1989 when he joined Bristol-Myers Squibb (BMS), where he was responsible for business development for the company's then subsidiary Zimmer International, a leading global

manufacturer of orthopedic products. Peter Nicklin worked for Zimmer International in various general management positions in Europe, Asia and Australia until 1999. He then moved into the pharmaceutical business and was appointed head of Sales and Marketing at BMS in Germany, taking over as Regional Vice President for BMS Germany, Switzerland and Austria in 2001. In 2003, he joined the Swiss pharmaceutical company Novartis, where he was responsible for the company's pharmaceuticals business in Western and Central Europe. Effective August 15, 2005, Peter Nicklin was appointed a member of the Bayer HealthCare Executive Committee and given responsibility for the newly created Business Development function at Bayer HealthCare. In his new position he will continue to represent the Asia/Pacific region at Bayer HealthCare.

Peter Nicklin is married and has two children.

Dr. Udo Oels was born in Breslau on January 2, 1944. After studying chemistry at Hanover Technical University, he worked as head of the university's biotechnology research group. In 1976 Oels began his career as a research chemist at Bayer AG and was employed in the company's Central Research and Development Division in Uerdingen until 1979.

From 1980 until 1982 he was a plant manager in the Plastics Business Group. Oels was then transferred to Bayer's U.S. subsidiary Mobay (now Bayer Corporation) in Baytown, Texas, where he was responsible for polycarbonate production.

In 1986 he returned to Uerdingen, where he was put in charge of Makrolon and Pocan production in the Plastics Business Group. Three years later, in 1989, he was appointed head of research in the Organic Chemicals Business Group. From 1990 Oels served as that business group's General Manager until his appointment to the Board of Management of Bayer AG on February 1, 1996.

Dr. Oels is married and has two children.

Leverkusen, December 14, 2005

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Bayer Launches Phase III Clinical Study of Trasylol® in Elective Spinal Fusion Surgery

Study Examines Effects of Trasylol in Reducing Bleeding and Need for Blood Transfusions for Spinal Fusion Patients

Leverkusen / December 8, 2005 – Bayer Pharmaceuticals Corporation (NYSE: BAY) today announced the initiation of a Phase III clinical trial to evaluate the safety and efficacy of Trasylol® (aprotinin injection) in reducing blood loss and the need for transfusion in adult patients undergoing elective spinal fusion surgery.

Spinal fusion surgery involves 'fusing' together one or more of the small bones of the spine with bone grafts and devices. This fusion limits the motion between the vertebrae allowing surgeons to treat injuries to the spine, repair broken vertebra, correct deformities, adjust abnormal curvatures, stabilize weakness and remedy slipped or herniated disks. Approximately 300,000 spinal fusion surgeries take place each year in the United States, a figure that has doubled in the last decade.[i]

Patients undergoing spinal fusion surgery are subject to a blood transfusion rate that may be six times greater than that of patients undergoing spinal surgery without fusion.[ii] Spine fusion surgery is also associated with more complications (such as infection, chronic pain and neural injuries) as it requires more extensive dissection and longer operative time.[iii]

"Blood loss can be a significant complication of spine surgery. Combined with the potential health risks associated with transfusions and the rising cost of blood products, there is a great need to reduce bleeding in this surgical setting," said Michael Neuwirth, MD, lead investigator of the study and director of the Spine Institute at Beth Israel Medical Center. "Trasylol has been proven safe and effective in reducing blood

loss and transfusion requirements in coronary artery bypass surgery, and we are studying the drug to determine if it may play a similar role in spinal fusion surgery."

The multi-center, randomized, double-blind, placebo-controlled trial will assess the ability of Trasylol to reduce bleeding and the need for blood transfusions in elective spinal fusion surgery involving three to seven vertebral levels. Over 450 adult patients will be randomly assigned to receive 200 mL of intravenous Trasylol or placebo at the start of the operation, followed by 50 mL/hour of either agent until the surgery is complete. Close to 40 investigational centers in North America will participate in the study.

Trasylol is currently approved for use in more than 60 countries. In the United States, Trasylol is indicated for prophylactic use to reduce perioperative blood loss and the need for blood transfusion in patients undergoing cardiopulmonary bypass (CPB) in the course of coronary artery bypass graft (CABG) surgery.

"Studies have continued to provide evidence supporting the hemostatic effects of Trasylol in orthopedic surgery," said Dr. Paul MacCarthy, Vice President of Medical Affairs at Bayer. "We are hopeful that this clinical trial will validate those findings and establish the safety and efficacy of Trasylol therapy in the setting of spinal fusion surgery."

In April 2005, Bayer had announced the initiation of a Phase III study to evaluate the safety and efficacy of Trasylol in reducing blood loss and the need for transfusion in patients undergoing elective primary total hip replacement surgery.

Previous Study Results

A recent evidence-based review of previously published prospective, randomized studies evaluating aprotinin therapy in spine surgery demonstrated a significant reduction in blood loss and the amount of blood transfused.[iv]

Approximately 200 adult patients undergoing spinal fusion have been included in previous Bayer sponsored and independently published controlled studies with Trasylol.[v, vi, vii] In these trials, the incidence of adverse events was comparable to placebo, including the occurrence of deep vein thrombosis. For additional safety information associated with the use of Trasylol, see Important Safety Considerations below.

About Spinal Fusion

Spinal fusion is a surgical technique in which one or more of the vertebrae of the spine are united together so that motion no longer occurs between them. Bone grafts are placed around the spine during surgery, and the body then heals the grafts over several months, joining the vertebrae together.

The ultimate goal of spinal fusion is to obtain a solid union between two or more vertebrae. The procedure may involve use of supplemental hardware (instrumentation) such as plates, screws and cages. Instrumentation is sometimes used to correct a deformity, but usually is just used as an internal splint to hold the vertebrae together while the bone grafts heal. The immediate discomfort following spinal fusion is generally greater than with other types of spinal surgeries. Patients typically stay in the hospital for three or four days; however, a longer stay after more extensive surgery is not uncommon. A short stay in a rehabilitation unit after release from the hospital is often recommended for patients who had extensive surgery, or for elderly or debilitated patients.[viii]

About Trasylol

Trasylol, a broad-spectrum proteinase inhibitor, modulates the systemic inflammatory response associated with cardiopulmonary bypass (CPB) in the course of CABG surgery. Approved by the FDA in 1993, Trasylol is the only product indicated for prophylactic use to reduce perioperative blood loss and the need for blood transfusion in patients undergoing CPB in the course of CABG surgery. Full prescribing and warning information is also available at www.Trasylol.com.[ix]

The effects of Trasylol use in CPB involves a reduction of inflammatory response to surgery, reduced bleeding and decreased re-exploration for bleeding, which translates into a decreased need for allogeneic (blood donated from another individual) blood transfusions. An important part of Bayer Pharmaceuticals Corporation's Specialty Pharmaceuticals portfolio, Trasylol has remained a category leader for several years. Bayer is committed to further investment in the Trasylol franchise and is actively engaged in the research and development of a recombinant version of the product. In anticipation of emerging needs of this market, Bayer is also leading in next generation product development.

Important Safety Considerations

Anaphylactic or anaphylactoid reactions are possible when Trasylol is administered. Hypersensitivity reactions are rare in patients with no prior exposure to aprotinin. The risk of anaphylaxis is increased in patients who are reexposed to aprotinin-containing products. The benefit of Trasylol to patients undergoing primary CABG surgery should be weighed against the risk of anaphylaxis should a second exposure to aprotinin be required (see WARNINGS and PRECAUTIONS in the Trasylol prescribing information).

In clinical studies, hypersensitivity and anaphylactic reactions were:

- rare (<0.1%) in patients with no prior exposure to Trasylol
- 2.7% overall reaction rate upon re-exposure
    - within 6 months, the incidence was 5 percent
    - after 6 months, the incidence was 0.9 percent

Trasylol is generally well tolerated. In clinical trials, graft patency, myocardial infarction, renal or hepatic dysfunction and mortality were comparable to placebo.

About Bayer Pharmaceuticals Corporation

Bayer Pharmaceuticals Corporation (www.bayerpharma.com) is part of the worldwide operations of Bayer HealthCare AG, a subsidiary of Bayer AG.

Bayer HealthCare, with sales of approximately 8.5 billion Euro 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 and Pharmaceuticals. Bayer HealthCare employed 35,300 people worldwide in 2004.

Bayer HealthCare's 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.

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Forward-looking statements

This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in our public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including our Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

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[i] Agency for Healthcare Research and Quality. Healthcare Cost and Utilization Project, HCUPnet. Accessed on November 9, 2005. Available at: http://www.ahrq.gov/data/hcup/.

[ii] Deyo RA, et al. Lumbar spinal fusion: a cohort study of complications, reoperations, and resource use in the Medicare population. Spine 1993;18:1463-1470.

[iii] Ibid.

[iv] Kokoszka A, et al. Evidence-based review of the role of aprotinin in blood conservation during orthopaedic surgery. J Bone Joint Surg Am 2005;87:1129-36.

[v] Lentschener, C., et al. "Reduction of blood loss and transfusion requirement by aprotinin in posterior lumbar spine fusion." Anesth Analg 89: 590-7, 1999.

[vi] Urban, MK., et al. "The efficacy of antifibrinolytics in the reduction of blood loss during complex adult reconstructive spine surgery," Spine 2001; 26(10): 1152-56.

[vii] Bayer, S. "A parallel, randomized double-blind, placebo controlled evaluation of the influence of high dose aprotinin in spinal fusion surgery on intra-operative blood loss." Report No. PH31776/1: 2002.

[viii] North American Spine Society. Spinal Fusion Surgery. What is it? How is it done? Accessed on October 11 2005. Available at: http://www.spine.org/articles/spinalfusion.cfm.

[ix] Trasylol Prescribing Information. Accessed on November 15, 2005. Available at: http://www.trasylol.com