



Investor News

Cooperation for Factor Xa-Inhibitor, BAY 59-7939:

Bayer HealthCare and Ortho-McNeil Pharmaceutical, Inc., a Johnson & Johnson Company, Announce Collaborative Development and License Agreement for Antithrombosis Drug

- U.S. marketing rights to Ortho-McNeil for cardiology, primary care and hospital segments
 - Co-promotion agreement for marketing of Ortho-McNeil drug Elmiron[®] by Bayer HealthCare to the urology audience
-

Leverkusen, Germany and Raritan, NJ / October 26, 2005 -- Bayer HealthCare (BHC) and Ortho-McNeil Pharmaceutical, Inc., a Johnson & Johnson company, announced today that they have concluded an agreement to jointly develop and market BAY 59-7939 (Factor Xa inhibitor) for the prevention and treatment of thrombosis. BAY 59-7939 is currently undergoing Phase II clinical trials. Phase III clinical trials to assess its effectiveness in the prevention of venous thromboembolism will be initiated in the next weeks.

“With this agreement we have reached another important milestone for our promising antithrombotic drug. We are very pleased to be able to further develop this drug together with Johnson & Johnson”, said Werner Wenning, Chairman of the Bayer AG Board.

According to the terms of the agreement, Ortho-McNeil will share the global development costs and will make an up front payment along with payments based on achieving certain development milestones in the range of \$ 290 Mio. Following the launch in the U.S., Ortho-McNeil will pay royalties of up to 30 percent, depending on sales thresholds.

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.

Arthur J. Higgins, Chairman of Bayer HealthCare's Executive Committee, regards the Johnson & Johnson company as the ideal partner: "Following a comprehensive selection process with a number of the world leading pharmaceutical companies, Bayer decided on a company with a proven record of undertaking large clinical development programs in the area of cardiovascular disease and an excellent relationship with key opinion leaders and authorities in this field. We are confident that this alliance will help us to fully exploit the potential of our Factor Xa inhibitor and will also support our strategic plans for the U.S. market, where we intend to focus on our Specialty Business."

In addition the agreement gives BHC the rights to co-promote Ortho-McNeil's Elmiron[®] for the relief of bladder pain or discomfort associated with interstitial cystitis to the urology audience in the U.S. BHC will receive the full profit from the urology prescription sales of Elmiron in the United States. This will strengthen BHC's Specialty business in the U.S.

"The collaboration with Bayer HealthCare strengthens our growing cardiovascular franchise," said Joe Scodari, Worldwide Chairman, Pharmaceuticals Group, Johnson & Johnson. "BAY 59-7939 is a truly novel product that could significantly improve the prevention and treatment of thromboembolic diseases. We share a common vision with Bayer and look forward to contributing to the successful development of this promising compound by capitalizing on our clinical and commercial expertise in the area of thrombosis through our cardiology company Scios."

About BAY 59-7939: BAY 59-7939 is an oral, direct Factor Xa inhibitor from Bayer HealthCare which is currently undergoing Phase II clinical development. Factor Xa plays a central role in the blood coagulation cascade. BAY 59-7939 has been shown to inhibit free Factor Xa and prothrombinase activity. In this way, the direct Factor Xa inhibitor BAY 59-7939 prevents thrombin generation in the coagulation pathway.

Clinical development of BAY 59-7939: BAY 59-7939 is currently being developed, in parallel, in three different indications: venous thromboembolism prevention after

major orthopedic surgery, venous thromboembolism treatment and stroke prevention in atrial fibrillation.

BHC is planning to initiate phase III clinical studies for the prevention of venous thromboembolism after major orthopedic surgery in the fourth quarter of 2005. A further ongoing phase IIb study is being performed to assess the safety and efficacy of a once-daily dosing regimen of BAY 59-7939 for venous thromboembolism prevention after elective total hip replacement surgery. Taken together, the combined findings of these two phase IIb studies will drive the decision on the dosing regimen to be used in the phase III program. The company currently plans to apply for approval for this indication by the end of 2007.

Phase IIb dose-finding trials with twice- and once-daily dosing for venous thromboembolism treatment and stroke prevention in atrial fibrillation are currently ongoing. Based on current plans filing for market authorization in these indications is anticipated in 2009.

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 €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.

About Johnson & Johnson: Johnson & Johnson is the world's most comprehensive and broadly based manufacturer of health care products as well as a provider of related services, for the consumer, pharmaceutical, and medical devices and diagnostics markets. The more than 200 Johnson & Johnson operating companies employ approximately 115,000 men and women in 57 countries and sell products throughout the world.

Leverkusen, October 26, 2005

Bayer AG, Investor Relations contacts:

Dr. Alexander Rosar (+49-214-30-81013)

Dr. Juergen Beunink (+49-214-30-65742)

Peter Dahlhoff (+49-214-30-33022)

Ute Krippendorf (+49-214-30-33021)

Ilia Kürten (+49-214-30-35426)

Judith Nestmann (+49-214-30-66836)

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.