

Investor News

Bayer MaterialScience completes Taiwan Ure-Tech acquisition

Aiming to be the global number one in thermoplastic polyurethanes (TPU)

Leverkusen, July 2, 2007 – Bayer MaterialScience has completed its acquisition of the Taiwan Ure-Tech Group on July 1, 2007. The move has made the company the world's largest supplier of resins and films. Bayer MaterialScience intends to move the global headquarters of its Thermoplastic Polyurethanes (TPU) Business Unit to Hong Kong by October 1, 2007.

Dr. Tim Bielfeldt, Global Head of the TPU Business Unit, explained: "By joining forces, we are combining the strengths of Ure-Tech as a TPU market leader in Asia Pacific with Bayer's global competence. As a result, we are now the best-positioned global supplier of TPU resins and films and related solutions. Our goal is to become the number one partner for customers worldwide by delivering excellent service, fast response times and market-focused innovations."

"The opportunities coming out of this merger are very promising," commented Frank Huang, formerly CEO of Taiwan Ure-Tech and now a member of the TPU management team. "When you couple the global reputation Bayer MaterialScience has earned through its focus on innovation and quality with our market knowledge, product portfolio and customer focus in Greater China, the result is an exciting future for everyone concerned."

Integrating Ure-Tech substantially boosts Bayer MaterialScience's TPU market position in Asia Pacific, significantly expanding the company's market share in TPU resins in this region. With Ure-Tech's two TPU production facilities in Asia Pacific added, Bayer MaterialScience will operate eight TPU resin and film production sites

around the world. Four of them are located in Asia Pacific – in Taiwan, China, Japan and India. The others are in Europe and North America.

“Moving our global headquarters to Hong Kong highlights the importance of the region,” Bielfeldt adds. “This focus puts Bayer MaterialScience in a solid leadership position, letting us tap into and capture future growth in the world’s largest and fastest expanding TPU market – Greater China.”

In 2006, the total global market for TPU resins and films was estimated to be worth about EUR 1.3 billion. In Asia Pacific, an annual growth rate of roughly 10 percent is assumed for the TPU market.

In 2006, approximately 200 employees of the Ure-Tech Group generated sales of around USD 63 million. Sales of Bayer MaterialScience’s Business Unit Thermoplastic Polyurethanes amounted to EUR 205 million last year with roughly 450 employees. Both parties have agreed not to disclose the purchase price.

About Bayer MaterialScience:

With 2006 sales of 10.2 billion euros (continuing operations), Bayer MaterialScience is among the world’s largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, electrical and electronics, construction and the sports and leisure industries. At the end of 2006, Bayer MaterialScience had 30 production sites and employed approximately 14,900 people around the globe. Bayer MaterialScience is a Bayer Group company.

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