



Investor News

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Entry in the Bayer AG commercial register:

Lanxess spin-off accomplished

Leverkusen / January 28, 2005 – The separation of Lanxess AG from the Bayer Group was accomplished on Friday, January 28, 2005 with the entry of the spin-off of the new chemicals group in the commercial register for Bayer AG. This completes the most fundamental restructuring in Bayer AG's history. Bayer will in future concentrate on its growth- and innovation-driven core businesses in the fields of health care, nutrition and high-tech materials. The portfolio of Lanxess comprises large parts of Bayer's previous chemicals business and about one third of its former polymers business.

“Placing Lanxess on the stock market is a crucial part of Bayer's strategic realignment. The preparations for the spin-off took little more than a year. This is a tremendous achievement, for which I would like to thank all employees on behalf of the entire Board of Management,” said Werner Wenning, CEO of Bayer AG.

By virtue of the spin-off, all the shares of Lanxess AG are being allotted to Bayer AG stockholders in the ratio of one Lanxess share for every ten Bayer shares held. For technical reasons the allotment will not take place until after the close of trading on Friday. The number of Lanxess shares to be allotted to each Bayer stockholder is dependent on the number of Bayer shares he or she holds at that time.

Stockholders who hold a number of Bayer shares not evenly divisible by ten will accordingly receive fractional rights to Lanxess shares; no stockholders' rights can be exercised on the basis of these fractional rights. The depositary banks and Deutsche Bank will endeavor to arrange an offset of fractional rights among their owners. Further information on this is available from the depositary banks.

All the shares of Lanxess AG are to be admitted on January 28, 2005 to the Prime Standard sub-segment of the official market segment (Amtlicher Markt) of the Frankfurt Stock Exchange. Trading in the shares of Lanxess AG is scheduled to commence on Monday, January 31, 2005. On the morning of that day the opening price of Lanxess shares will be determined in the market. Neither Bayer AG, Lanxess AG, joint financial advisors Deutsche Bank and Morgan Stanley, nor the stock exchange itself are giving any indication of the price in advance. The opening price of Lanxess shares is likely to be determined between 9.15 and 9.25 a.m. Bayer stock will be quoted "ex-spin-off" for the first time as soon as the stock market opens at 9.00 a.m. Here, too, the market will determine how the share price develops.

With 2003 sales of some EUR 6.3 billion (based on the Combined Financial Statements) and about 19,600 employees (as at September 30, 2004), Lanxess is among Europe's largest chemical companies. "We wish all Lanxess employees a good start as an independent company and every success in the future," said Wenning.

Leverkusen, January 28, 2005

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Forward-looking statements

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