

Bayer



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Investor News

Bayer MaterialScience to acquire Taiwan's Ure-Tech Group

New global leader in thermoplastic polyurethane resins and films

Leverkusen / October 23, 2006 – Bayer MaterialScience will acquire Taiwan's Ure-Tech Group, the largest thermoplastic polyurethane (TPU) producer in the Asia Pacific region. With this acquisition the Germany-based company will become the worldwide largest supplier and solutions provider of TPU resins and films. The deal is subject to regulatory approval by the cartel office and is expected to be closed in the first quarter of 2007. Both parties have agreed not to disclose purchase price and other related details of the acquisition. In 2005, approximately 180 employees of the Ure-Tech Group generated sales of around USD 55 million. Sales of Bayer MaterialScience's Business Unit Thermoplastic Polyurethanes amounted to 192 million Euros last year with roughly 450 employees.

Combining its activities with Ure-Tech will substantially strengthen Bayer MaterialScience's existing TPU market position in Asia Pacific, significantly widening and solidifying its market access, especially in Taiwan, China and the South Asian countries. It will become the market leader in TPU resins supply in the Asia Pacific region.

The acquisition will solidly position Bayer MaterialScience to tap into the significant growth potential for TPU resins in the Asia Pacific region, especially China. It also provides the impetus for Bayer MaterialScience to accelerate its global growth in the TPU resins market. In 2005, the total TPU resins and films market was worth about 1.2 billion Euros.

Dr. Hagen Noerenberg, Bayer MaterialScience's Chairman of the Board, said: "We are combining Bayer MaterialScience's global expertise, our international network of

customers and locations and our innovative strength with Ure-Tech's market access. The company is the leading Asian supplier of TPU resins and has strong local expertise as well as close customer relationships."

"As TPU supplier and solution provider of resins and films, we aim to be the number one partner for customers worldwide," said Dr. Tim Bielfeldt, Global Head of Bayer MaterialScience TPU Business Unit.

Ure-Tech's CEO, Frank Huang, said: "This is a match made out of understanding of both our strengths and special know-how. We complement each other in the areas of production, marketing, research and development."

Together with Ure-Tech's production facilities, Bayer MaterialScience will have in close proximity to its customers a total of six TPU resins and two films production facilities in North America, Europe, and the Asia Pacific region. Four of these are in Asia Pacific, in Taichung, Taiwan; Shenzhen in Southern China; Cuddalore, India; and Osaka, Japan (a joint venture with Dainippon Ink & Chemicals, Inc.). The other four are in New Martinsville, West Virginia, USA; South Deerfield, Massachusetts, USA; and in Dormagen and Bomlitz in Germany. The acquisition of Ure-Tech's TPU operations will have no negative impact on employees.

About Bayer MaterialScience:

With sales of EUR 10.7 billion in 2005, Bayer MaterialScience AG is one of the world's largest polymer manufacturers. Its main fields of activity are the production of high-tech polymer materials and the development of innovative solutions for products used in many areas of everyday life. The main consumer sectors are the automotive, electrical/electronics, construction, sports and leisure industries. Bayer MaterialScience has production facilities at 40 sites around the world and a workforce of approx. 18,800. Bayer MaterialScience is part of the Bayer Group.

About Ure-Tech:

Taiwan-based Ure-Tech group is the biggest producer of Thermoplastic Polyurethane (TPU) elastomer in Asia Pacific, manufacturing products under the Utechllan® brand. It was founded in May 1992 and now has a manufacturing plant in Taichung, Taiwan, and another production facility in Shenzhen, China. Its Utechllan® brand of TPU is widely used by the footwear and sports and leisure industries among others in the Asia Pacific region.

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