

Bayer



Q2 2006 Consensus Estimates

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Ladies and Gentlemen,

Please find attached the Q2 2006 consensus estimates for Bayer.
The consensus has been provided by Vara Research.

Best regards,

Bayer AG
Investor Relations Team

Leverkusen, August 21, 2006

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.

Consensus earnings estimates are based on earnings projections made by securities analysts who cover Bayer. Any opinions, forecasts, estimates, projections or predictions regarding Bayer's performance made by the analysts (and, therefore, the Consensus estimate numbers) are theirs alone and do not represent the opinions, forecasts, estimates, projections or predictions of Bayer or its management. Bayer does not by providing these estimates imply its endorsement of or concurrence with such information, conclusions or recommendations. Bayer assumes no liability for the accuracy of such estimates and undertakes no obligation to update or revise such estimates.



Q2 2006 consensus estimates for Bayer

The calculated consensus for Bayer AG is based on the new portfolio structure including the acquisition of Schering (fully consolidated in the Group financial statements as of June 23, 2006) and the divestiture of the diagnostics business (reported as discontinued operations). Estimates of 17 major banks consulted by Vara Research contributed to the consensus.

All consensus numbers are quoted in million Euros.

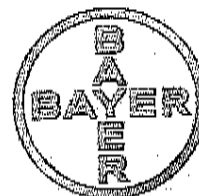
Consensus estimates for Q2 2006	Average
Sales	7,098
Underlying EBITDA	1,276
Underlying EBIT	882
Reported EBIT	845
Pre-tax Income	662
Reported Net Income	462
EPS (Euro/share)	0.63

Status: August 21, 2006

Disclaimer

This document has been issued by Vara Research GmbH for information purposes only and is not intended to constitute investment advice. It is based on estimates and forecasts of various analysts regarding revenues, earnings and business developments of the relevant company. Such estimates and forecasts cannot be independently verified by reason of the subjective character. Vara Research GmbH gives no guarantee, representation or warranty and is not responsible or liable as to its accuracy and completeness.

Bayer



Information on the Consolidation of Schering AG and Segmentation Adjustments

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Ladies and Gentlemen,

Please find enclosed some information on the consolidation of Schering AG and Bayer's new segment reporting ahead of our Q2'06 release on August 29, 2006.

Consolidation of Schering AG

Effective June 23, 2006, Bayer controls the majority of the outstanding Schering shares. Therefore, Bayer will fully consolidate Schering in the Group financial statements as of this date. The assets and liabilities of Schering will be fully recognized in the Q2 financial statements as of June 30, 2006. The profit and loss account and cash flow statement will include Schering for the period between June 23 and 30, 2006. As an effect of purchase price accounting, Bayer will recognize the step-up of inventories and amortization of intangible assets for this period accordingly. Hence, the Q2 impact is expected to be €140-150m on sales and a negative single-digit Euro amount on reported EBIT.

Diagnostics Business as Discontinued Operations

On June 29, Bayer announced its intention to sell the Diagnostics Division of Bayer HealthCare. Closing of the transaction is expected for the first half of 2007, subject to the approval of the antitrust authorities. Until such time, Bayer will report its diagnostics business as discontinued operations.

The businesses of H.C. Starck and Wolff Walsrode, which are also to be divested, will remain continuing operations for the time being.

Changes in Reporting Segments

Following the above mentioned transactions, changes will be made to the reporting segments of Bayer HealthCare. In the segment "**Pharmaceuticals**", Bayer will report the former segment "Pharmaceuticals" and the entire Schering business. For Q2, sales figures will be reported for Primary Care, Hematology/Cardiology, Oncology and Schering. The new segment "**Consumer Health**" will combine the Diabetes Care business, formerly reported in the segment "Diabetes Care, Diagnostics", and the former segments "Consumer Care" and "Animal Health". Sales figures of the three units will continue to be reported individually.

For your convenience, please find overleaf a table of historical data in the new segmentation of Bayer HealthCare and restated key data of the Group statement of income.

Q1 2005							
€ million	Sales	EBITDA	EBITDA before special items	EBIT	EBIT before special items	Gross cash flow	Net cash flow
Bayer HealthCare	1,817	247	366	165	284	161	22
Pharmaceuticals	952	127	225	86	184	74	(92)
Consumer Health	865	120	141	79	100	87	114

Q2 2005							
€ million	Sales	EBITDA	EBITDA before special items	EBIT	EBIT before special items	Gross cash flow	Net cash flow
Bayer HealthCare	2,003	288	369	219	300	217	186
Pharmaceuticals	988	145	165	109	129	106	143
Consumer Health	1,015	143	204	110	171	111	43

Q3 2005							
€ million	Sales	EBITDA	EBITDA before special items	EBIT	EBIT before special items	Gross cash flow	Net cash flow
Bayer HealthCare	2,019	476	413	353	317	313	474
Pharmaceuticals	1,029	256	214	188	158	155	253
Consumer Health	990	220	199	165	159	158	221

Q4 2005							
€ million	Sales	EBITDA	EBITDA before special items	EBIT	EBIT before special items	Gross cash flow	Net cash flow
Bayer HealthCare	2,157	269	339	186	276	232	405
Pharmaceuticals	1,098	135	167	92	144	114	177
Consumer Health	1,059	134	172	94	132	118	228

Q1 2006							
€ million	Sales	EBITDA	EBITDA before special items	EBIT	EBIT before special items	Gross cash flow	Net cash flow
Bayer HealthCare	2,203	459	465	379	385	292	43
Pharmaceuticals	1,148	241	246	202	207	162	(11)
Consumer Health	1,055	218	219	177	178	130	54

Bayer Group	Key Data from the Consolidated Statement of Income						
	€ million	Q1'05	Q2'05	Q3'05	Q4'05	FY'05	Q1'06
Sales		6,386	6,686	6,177	6,701	25,950	7,116
EBITDA		1,382	1,101	1,257	575	4,315	1,482
EBITDA underlying		1,520	1,207	1,087	973	4,787	1,610
EBIT		986	707	796	144	2,633	1,077
EBIT underlying		1,124	813	653	568	3,158	1,205
Non-operating result		(131)	(129)	(182)	(173)	(615)	(215)
Pre-tax income		855	578	614	(29)	2,018	862
After-tax income cont. operations		581	410	457	(8)	1,440	576
After-tax income discont. operations		64	2	39	50	155	21
Net income		652	406	493	46	1,597	600

Leverkusen, August 14, 2006

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