



Investor News

Extraordinary Stockholders' Meeting of Schering AG on September 13, 2006:

Schering's stockholders to resolve on domination and profit and loss transfer agreement with Bayer

- Election of new investor representatives to the Supervisory Board
 - Renaming to "Bayer Schering Pharma Aktiengesellschaft"
-

Berlin/Leverkusen / August 4, 2006 – Schering AG has invited its stockholders to attend an Extraordinary Stockholders Meeting in Berlin, Germany, on September 13, 2006. The agenda includes obtaining the stockholders' approval of the domination and profit and loss transfer agreement with Bayer's subsidiary Dritte BV GmbH, which has now been signed by both companies. In addition, the Stockholders' Meeting will be asked to elect new members to the Supervisory Board to reflect the altered majority situation at Schering. Bayer currently holds more than 92 percent of the stock of the Berlin-based pharmaceuticals company. Furthermore, the stockholders will be asked to resolve on the announced renaming of the company to "Bayer Schering Pharma Aktiengesellschaft".

"This Extraordinary Stockholders' Meeting is a significant step toward integrating Schering into the Bayer Group," explained Bayer CEO Werner Wenning. "Our goal is to make the future Bayer Schering Pharma a strong company that ranks among the top ten pharmaceuticals specialists in the world." Dr. Hubertus Erlen, Chairman of the Executive Board of Schering AG, said: "Together with Bayer, we aim to build a leading global pharmaceuticals company that unites the strengths of both organizations. Our competitive strength in specialized markets represents a solid foundation for the future success of Bayer Schering Pharma."

The following candidates have been proposed for election to the Schering Supervisory Board:

Prof. Friedrich Berschauer, Management Board Chairman of Bayer CropScience AG;
Dr. Hubertus Erlen, Chairman of the Executive Board of Schering AG;
Dr. Roland Hartwig, General Counsel of Bayer AG;
Klaus Kühn, Management Board member of Bayer AG;
Achim Noack, Managing Director of Bayer Technology Services GmbH;
Werner Wenning, Management Board Chairman of Bayer AG.

Existing Supervisory Board members Dr. Karl-Hermann Baumann and Dr. Reiner Hagemann will remain in office. However, Dr. Giuseppe Vita, Dr. Mathias Döpfner, Prof. John A. Dormandy, Prof. Dr. Dieter Hinzen, Dr. h. c. Martin Kohlhaussen and Detlef Olufs will resign with effect from the end of the Extraordinary Stockholders' Meeting. It is intended to propose Werner Wenning as Chairman of the new Supervisory Board and Dr. Hubertus Erlen as one of the two deputy chairmen. There is to be no change to the employee representatives in the Schering Supervisory Board.

Following the Extraordinary General Meeting, the Supervisory Board is to appoint the new Schering Management Board. It is proposed that this body should comprise:
Arthur Higgins (Chairman), Management Board Chairman of Bayer HealthCare AG;
Werner Baumann, Management Board member of Bayer HealthCare AG;
Dr. Ulrich Köstlin, Executive Board member of Schering AG;
Dr. Gunnar Riemann, Management Board member of Bayer HealthCare AG;
Prof. Marc Rubin, MD, Executive Board member of Schering AG.

The remaining members of the present Executive Board of Schering AG will resign their posts with effect from the end of the Extraordinary Stockholders' Meeting.

Information:

The full invitation to the Extraordinary Stockholders' Meeting, the text of the domination and profit and loss transfer agreement, and other pertinent documents will be available on the Internet at www.schering.de.

Berlin/Leverkusen, August 4, 2006

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)

Ilia Kürten (+49-214-30-35426)

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

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

Important information from Bayer AG:

This is neither an offer to purchase nor a solicitation of an offer to sell shares or American depositary shares of Schering AG. At the time of commencement of the mandatory compensation offer, Dritte BV GmbH will file a *tender offer statement* with the U.S. Securities and Exchange Commission (SEC) with respect to the mandatory compensation offer and Schering AG will file a *solicitation/recommendation statement* on Schedule 14D-9 with the SEC in respect of the mandatory compensation offer.

Investors and holders of shares and American depositary shares of Schering AG are strongly advised to read the *tender offer statement* and other relevant documents regarding the mandatory compensation offer filed with the SEC when they become available because they will contain important information. Investors and holders of shares and American depositary shares of Schering AG will be able to receive these documents when they become available free of charge at the SEC's website (<http://www.sec.gov>), or at the website <http://www.bayer.de>.

This news release contains certain 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 reports filed with the Frankfurt Stock Exchange and our reports filed with the SEC (incl. on Form 20-F). Bayer AG and Dritte BV GmbH do not assume any liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Important Information from Schering AG:

Legal Instruction

After the proposed offer of cash compensation by Dritte BV GmbH, a wholly owned subsidiary of Bayer Aktiengesellschaft, in connection with the planned domination and profit and loss transfer agreement between Dritte BV GmbH and Schering Aktiengesellschaft, is made available to Schering Aktiengesellschaft shareholders, Schering Aktiengesellschaft will file with the U.S. Securities and Exchange Commission a solicitation/recommendation statement on Schedule 14D-9 with respect to the offer of cash compensation. Holders of ordinary shares and American depositary shares of Schering Aktiengesellschaft are advised to read such solicitation/recommendation statement when it becomes available because it will contain important information. Holders of ordinary shares and American depositary shares of Schering Aktiengesellschaft will be able to obtain such solicitation/recommendation statement and other filed documents when they become available free of charge at the U.S. Securities and Exchange Commission's website (<http://www.sec.gov>) and at Schering Aktiengesellschaft's website (<http://www.schering.de>).

Certain statements in this press release that are neither reported financial results nor other historical information are forward-looking statements, including but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and Schering AG's plans and objectives to differ materially from those expressed or implied in the forward-looking statements. Certain factors that may cause such differences are discussed in our Form 20-F and Form 6-K reports filed with the U.S. Securities and Exchange Commission. Schering AG undertakes no obligation to update publicly or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.



Investor News

Bayer MaterialScience increases MDI production in Krefeld-Uerdingen

Global MDI production capacity exceeds one million tons

Efficient utilization of existing capacities through debottlenecking measures

Leverkusen / August 1, 2006 – Bayer MaterialScience AG has a global annual capacity of more than one million tons for the production of the polyurethane raw material diphenylmethane diisocyanate (MDI). The company has now increased its capacity in Krefeld-Uerdingen, Germany, by a further 36,000 t/y by introducing a number of debottlenecking measures. These were based on process improvements and did not require any major investment.

"We want to grow with the market by ensuring an efficient utilization of our available capacities. The recent expansion project is one of several measures that have enabled us to significantly increase our total annual capacity in the last two years," says Peter Vanacker, head of the Polyurethanes Business Unit at Bayer MaterialScience. At its integrated site in Shanghai, the company is also building a new world-scale production facility for MDI which will be the biggest of its kind in the world, with an annual capacity of 350,000 t. It is scheduled to go on stream in 2008. "With locally produced MDI, we want to secure a large portion of the future growth in the Asia-Pacific region, and thereby underscore our position as one of the world's leading producers of polyurethane raw materials," said Vanacker.

MDI is an important chemical component in the production of polyurethane foams and elastomers. Rigid insulating foams are used, for example, in the production of refrigerators and freezers, for thermal insulation in the construction industry and in district heating systems. MDI elastomers are used in the shoe, automotive and electrical industries.

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.

Leverkusen, August 1, 2006

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)

Ilia Kürten (+49-214-30-35426)

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

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.



Investor News

Following recent developments at Schering:

Bayer stands by compensation offer of EUR 89 per Schering AG share

Leverkusen / July 31, 2006 – Even in light of current developments at Schering, the Bayer Management Board stands by the cash compensation offer of EUR 89.00 per Schering AG share provided by the planned domination and profit and loss transfer agreement between Bayer's subsidiary Dritte BV GmbH and Schering. Alternatively, an annual guaranteed dividend of EUR 3.62 (net) per share is envisaged. On Monday, Schering AG voluntarily recalled its X-ray contrast agent Ultravist® Injection 370 mgI/mL. Production in China and South Korea is not affected, nor are all other concentrations of the product. Schering also announced the insufficient results of a Phase III clinical trial (n.o.v.e.l. 4) with sargramostim in patients with Crohn's disease. The relevant news releases can be found on the Internet at www.schering.de.

It cannot be excluded that these events will slightly depress the value of Schering AG. In a provisional assessment, auditors KPMG, appointed jointly by Bayer and Schering to evaluate Schering, valued the effect of the recall of Ultravist® Injection 370 mgI/mL at EUR 0.74 per Schering share. On July 26, 2006, KPMG determined that Schering's value was EUR 87.63 per share, based on the IDW S 1 standard. In the opinion of KPMG, the fair guaranteed dividend derived from the company's value is EUR 3.62 per share.

Bayer has nevertheless decided not to change its offer to pay cash compensation of EUR 89.00 per share to Schering's stockholders. "We aim to keep to our schedule for the fastest possible integration of Schering," explained Werner Wenning, CEO of Bayer AG.

“The remaining Schering stockholders, thus, still have a further opportunity to transfer their shares to Bayer at this attractive price, which has already been paid under our takeover offer,” added Wenning.

To become effective, the planned domination and profit and loss transfer agreement requires, among other things, approval by the Stockholders’ Meeting of Schering AG. Schering stockholders – including Bayer with more than 92 percent of voting rights – will resolve on this proposal at an Extraordinary Stockholders’ Meeting of Schering AG. The agreement enables Bayer to undertake extensive integration of Schering into the Bayer Group, even if a squeeze out of the minority stockholders in return for cash compensation does not take place in the mid term. Bayer requires 95 percent of Schering’s equity stock for such a move.

Leverkusen, July 31, 2006

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)

Ilia Kürten (+49-214-30-35426)

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

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

Important Information

This is neither an offer to purchase nor a solicitation of an offer to sell shares or American depositary shares of Schering AG.

At the time of commencement of the mandatory compensation offer, Dritte BV GmbH will file a tender offer statement with the U.S. Securities and Exchange Commission (SEC) with respect to the mandatory compensation offer and Schering AG will file a solicitation/recommendation statement on Schedule 14D-9 with the SEC with respect to the mandatory compensation offer.

Investors and holders of shares and American depositary shares of Schering AG are strongly advised to read the tender offer statement and other relevant documents regarding the mandatory compensation offer filed with the SEC when they become available because they will contain important information. Investors and holders of shares and American depositary shares of Schering AG will be able to receive these documents when they become available free of charge at the SEC’s web site (<http://www.sec.gov>), or at the web site <http://www.bayer.de>.

This press release contains certain 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 reports filed with the Frankfurt Stock Exchange and our reports filed with the SEC (incl. on Form 20-F). Bayer AG and Dritte BV GmbH do not assume any liability whatsoever to update these forward-looking statements or to conform them to future events or developments.