



Investor News

Bayer CropScience agrees to acquire US cotton seed company Stoneville for US-\$ 310 million

Acquisition of leading US cotton business expected to bolster growth strategy

Leverkusen / May 31, 2007 – Bayer CropScience announced today that it has entered into an agreement to purchase Stoneville Pedigreed Seed Company, a leading US provider of cotton seeds, from Monsanto Company for a total purchase price of US-\$ 310 million (approximately EUR 230 million). The agreement was signed on May 31, 2007. This acquisition is expected to enhance the fast-growing US cotton seed business of Bayer CropScience, currently the second largest cotton seed supplier in North America. The acquisition is subject to the approval of the US competition authorities.

“As part of our long-term strategy for innovation and growth, we intend to strengthen the position of Bayer CropScience in the seeds market. The acquisition of the Stoneville activities in the US is a significant step in further expanding our successful cotton seed business, which forms part of our core seed crops along with canola, rice and vegetables” says Werner Wenning, Chairman of the Board of Management of Bayer AG.

In acquiring the US assets of Stoneville, Bayer CropScience will gain access to additional high performing cotton products with insect-resistant and herbicide-tolerant Monsanto traits. The new germplasm and the geographic reach of the Stoneville business East of Texas ideally complement Bayer CropScience’s cotton seed and trait business. The acquisition will also bring in skilled and knowledgeable staff as well as state-of-the-art breeding and seed processing facilities in the US.

The business to be acquired by Bayer CropScience represents a turnover of about US-\$ 45 million (approximately EUR 36 million) as per Stoneville's fiscal year 2005/2006. The acquisition does not include Stoneville's NexGen™ franchise, a regional cotton seed business in Texas, and other assets related to the NexGen business.

Says Prof. Dr. Friedrich Berschauer, Chairman of the Board of Management of Bayer CropScience: "Through the acquisition of Stoneville, we can offer an even broader cotton seed portfolio to US farmers, strengthening our offering of desired traits, high yield and excellent fiber quality. Through this acquisition we are also assured of having the critical mass in the cotton seed business to continue to bring innovative products to the market."

Led by its flagship FiberMax® brand, Bayer CropScience has seen its US cotton seed business growing strongly over the past years. The purchase of the US Stoneville business is a further continuation of the company's successful strategy of growing its presence in the US cotton market via new product development and organic growth as well as acquisitions. Over the last two years, Bayer CropScience has acquired the assets of US companies Associated Farmers Delinting, Inc. (AFD), a regional cotton seed production and processing company based in Littlefield, Texas, and California Planting Cotton Seed Distributors (CPCSD), a developer, producer and distributor of high quality cotton seeds, enabling access to new regional markets in the US and to considerable storage and processing capacities. In December 2006, Bayer CropScience also purchased the cotton assets of Reliance Genetics LLC of Harlingen, Texas.

Bayer CropScience AG, a subsidiary of Bayer AG with annual sales of about EUR 5.7 billion (2006), is one of the world's leading innovative crop science companies in the areas of crop protection, non-agricultural pest control, seeds and plant biotechnology. The company offers an outstanding range of products and extensive service backup for modern, sustainable agriculture and for non-agricultural applications. Bayer CropScience has a global workforce of about 17,900 and is represented in more than 120 countries. This and further news is available at: www.newsroom.bayercropscience.com.

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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)

Dr. Olaf Weber (+49-214-30-33567)

Forward-looking statements

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