

Stockholders' Newsletter 2005

Interim Report as of September 30, 2005

Bayer Group Key Data

€ million

	Third Quarter		Change	First Nine Months		Change	Full Year
	2004	2005		2004	2005		
Net sales	5,485	6,531	+ 19.1%	17,167	20,288	+ 18.2%	23,278
Change in sales							
Volume	+ 6%	+ 1%		+ 8%	+ 1%		+ 8%
Price	+ 1%	+ 7%		0%	+ 8%		+ 1%
Currency	- 4%	+ 2%		- 5%	0%		- 4%
Portfolio	0%	+ 9%		- 1%	+ 9%		- 1%
EBITDA¹	747	1,370	+ 83.4%	2,993	3,986	+ 33.2%	3,834
of which special items	(77)	206		(185)	(38)		(235)
Operating result (EBIT)	266	870	•	1,530	2,620	+ 71.2%	1,875
of which special items	(77)	179		(189)	(65)		(242)
Return on sales	4.8%	13.3%		8.9%	12.9%		8.1%
Non-operating result	(161)	(182)	-13.0%	(491)	(442)	+ 10.0%	(657)
Net income	52	493	•	617	1,551	+ 151.4%	685
Earnings per share (€) ²	0.07	0.68		0.84	2.12		0.94
Gross cash flow³	627	920	+ 46.7%	2,206	2,929	+ 32.8%	2,885
Net cash flow⁴	525	1,438	+ 173.9%	1,395	2,227	+ 59.6%	2,262
Capital expenditures (total)	289	346	+ 19.7%	711	798	+ 12.2%	1,251
Research and development expenses	460	448	- 2.6%	1,381	1,355	- 1.9%	1,927
Depreciation and amortization	481	500	+ 4.0%	1,463	1,366	- 6.6%	1,959
Number of employees at end of period				92,600	93,800	+ 1.3%	91,700
Personnel expenses	1,563	1,321	- 15.5%	4,470	4,364	- 2.4%	6,026

¹ EBITDA = operating result (EBIT) plus depreciation and amortization

² Earnings per share = as defined in IAS 33: net income divided by the average number of shares outstanding (730.34 million shares)

³ Gross cash flow = operating result (EBIT) plus depreciation and amortization, minus income taxes, minus gains/plus losses on retirements of noncurrent assets, plus/minus changes in pension provisions

⁴ Net cash flow = cash flow from operating activities according to IAS 7

2004 figures restated (for details see notes beginning on page 28)