Bayer

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Bayer issues 34 million new shares

Leverkusen, July 6, 2006

- Offering part of the financing of the Schering acquisition
- Placement of the new shares by means of an accelerated bookbuilding

Leverkusen – Bayer AG is today offering 34 million new shares by means of an accelerated bookbuilding. This offering is one of the previously announced steps to finance the Schering acquisition. The resulting capital increase against cash, equivalent to 4.7 percent of the registered share capital, has been approved by the Supervisory Board and is based on the authorisation granted by the Annual Stockholders' Meeting on April 28, 2006 (Authorised Capital II).

The new shares are fully entitled to the dividend for the current financial year and will be issued without pre-emptive rights for existing stockholders.

The placement of the new shares by means of an accelerated bookbuilding is exclusively directed to German and international institutional investors and is expected to be completed in the course of today. The proceeds of the issue will be announced after pricing and will contribute to the financing of the Schering acquisition.

This transaction, together with the successful EUR 2.3 billion issue of mandatory convertible bonds in April 2006, completes the previously communicated equity financing in connection with the acquisition of Schering. The total is significantly below the EUR 4 billion equity financing limit originally stated.

Bayer AG
Board of Management

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Listing: Official market Frankfurt sub-segment entailing additional post-admission obligations (Prime Standard) Berlin-Bremen, Düsseldorf, Hamburg, Hannover, München und Stuttgart; Swiss Exchange; London; Madrid; New York, Tokyo

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