



## Investor News

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### Takeover offer completed

#### **Bayer controls 92.4 percent of outstanding Schering shares**

- Goal remains to wholly acquire the Berlin pharmaceuticals company
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**Leverkusen / July 12, 2006** – Bayer's public takeover offer for Schering AG has been completed. Following expiration of the additional acceptance period, Bayer now has control of 92.4 percent of the approximately 191 million outstanding Schering shares. "This result is a great success," commented Bayer Management Board Chairman Werner Wenning. "It enables us to integrate Schering quickly and create a leading international player in specialty pharmaceuticals." He said the fact that Bayer now controls over 90 percent of the shares shows the market considered EUR 89 per share to be an attractive price. "We're still aiming to acquire the entire stock of Schering," Wenning stressed, "but we're not in a hurry."

The number of Schering shares tendered to Bayer under the takeover offer before the additional acceptance period expired on July 6, 2006 was 91.5 million, or 47.9 percent of the outstanding shares. By July 11 Bayer had also purchased 85.0 million Schering shares, or 44.5 percent, in the market or directly.

The next step along the road to integrating Schering into the Bayer organization will be an Extraordinary Stockholders' Meeting of the Berlin company in September. Among the items on the agenda will be the approval of a domination and profit transfer agreement between Schering AG and Bayer.

In light of the majority stockholding achieved, the Schering business will now be included in Bayer's financial reporting. For this reason, publication of Bayer's interim

reports for the second and third quarters of 2006 will be deferred until August 29 and November 27, respectively.

### Calendar

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|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <i>August 29, 2006</i>   | <i>Second-quarter interim report</i><br><i>Conference call for analysts</i>                                                     |
| <i>October 31, 2006</i>  | <i>News forum "Bayer's Perspective on Innovation," Leverkusen</i>                                                               |
| <i>November 27, 2006</i> | <i>Fall Financial News Conference, Leverkusen</i><br><i>Third-quarter interim report</i><br><i>Conference call for analysts</i> |

Leverkusen, July 12, 2006

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### **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. The offer has been made by Dritte BV GmbH, a wholly-owned subsidiary of Bayer AG, for all bearer shares with no par value of Schering AG (including all bearer shares with no par value represented by American depositary shares). The terms and conditions of the offer have been published in the offer document after the permission of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) has been obtained on April 12, 2006. Dritte BV GmbH also has filed a tender offer statement with the U.S. Securities Exchange Commission (SEC) with respect to the takeover 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 takeover offer filed by Dritte BV GmbH with the SEC because they contain important information. Investors and holders of shares and American depositary shares of Schering AG will be able to receive these documents free of charge at the SEC's web site (<http://www.sec.gov>), or at the web site <http://www.bayer.com>.

This is not an offer of Bayer AG's securities for sale in the United States. No such securities have been registered under the U.S. Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States must be made by means of a prospectus that contains detailed information about the issuer, its management and its financial statements.

Bayer AG has been granted exemptive relief from the provisions of Rule 14e-5 under the U.S. Securities Exchange Act of 1934, as amended, permitting it (or Dritte BV GmbH or certain of its other affiliates or financial institutions on its behalf) to make purchases of shares of Schering AG outside of the takeover offer until the end of the offer period, subject to certain conditions. Accordingly, to the extent permissible under applicable securities laws and in accordance with normal German market practice, Bayer AG, Dritte BV GmbH or its nominees or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, shares of Schering AG outside the United States, other than pursuant to the offer, before or during the period in which the offer is open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required by applicable securities laws.

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