Bayer

Bayer AG
Investor Relations
51368 Leverkusen
Germany
www.investor.bayer.com

Investor News

Bayer MaterialScience examines feasibility of 400,000-ton MDI plant in Europe

- Total worldwide capacity would increase to 1,850,000 tons a year
- Commissioning could take place in 2012

Leverkusen, September 12, 2007 – Bayer MaterialScience is considering building a world-scale production facility for methylene diphenyl diisocyanate (MDI) in Europe. The plant would have an annual capacity of 400,000 tons and could be commissioned in 2012. A feasibility study would focus particularly on factors such as costs and infrastructure for a number of possible locations. A decision on the construction of the facility is due to be made next year. If the project were realized, the total worldwide MDI capacity of Bayer MaterialScience would increase to 1,850,000 tons a year. The new production plant at the integrated Shanghai site, with an annual capacity of 350,000 tons, is included in this amount. This plant is scheduled to be taken into operation next year. “With a new world-scale plant for MDI in Europe we would like to expand our leading position in the polyurethane industry”, explained Patrick Thomas, Chairman of the Board of Management of Bayer MaterialScience.

“This strategy is intended to create the basis for meeting the rising demand for MDI in eastern and western Europe and in the Middle East in the medium to long term. The new plant would be an important addition to our worldwide production network, further improving the supply to our customers,” said Peter Vanacker, head of the Polyurethanes Business Unit and member of the Executive Committee of Bayer MaterialScience. The demand for MDI in Europe is currently estimated to be growing at about six percent a year. Just last year, the company increased its production capacities at Krefeld-Uerdingen and Tarragona to 200,000 and 150,000 tons a year, respectively. Further debottlenecking measures in existing production facilities in

Europe are scheduled to be implemented before the new world-scale plant is completed.

It is intended that the new world-scale facility should incorporate, for the first time, a new, highly energy-efficient technology for the final stage in the reaction, that of phosgenation. Thanks to this process innovation the energy consumption of the plant can be decreased considerably by reducing the solvent cycles. Consequently, the emissions per unit of manufacturing will also be significantly reduced. Furthermore, the specific investment costs are expected to be clearly lower than for a conventional plant of the same size.

The new facility is intended to form part of a complete, newly designed MDI train that will also include production plants for the precursors nitrobenzene, aniline and diphenylmethane diamine (MDA). The train would be the largest and most modern integrated MDI production facility in Europe.

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

About Bayer MaterialScience:

With 2006 sales of EUR 10.2 billion (continuing operations), Bayer MaterialScience is among the world's largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, electrical and electronics, construction and the sports and leisure industries. At the end of 2006, Bayer MaterialScience had 30 production sites and employed approximately 14,900 people around the globe. Bayer MaterialScience is a Bayer Group company.

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
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 annual and interim reports to the Frankfurt Stock Exchange and in our reports filed 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.