Bayer

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Investor News

To finance Bayer's investment program in Caojing, China:

Bayer successfully syndicates a EUR 610 million equivalent credit facility in China

- Long-term credit facility available in Renminbi or U.S. dollars
- Syndication significantly oversubscribed

Leverkusen / July 3, 2006 – Bayer has successfully secured a RMB 6.1 billion credit line (equivalent to USD 760 million / EUR 610 million) in China. The syndication, lead-managed by China Construction Bank, HSBC, Industrial and Commercial Bank of China, and Standard Chartered Bank, was significantly oversubscribed. The credit facility serves to finance a world-scale polyurethanes production plant of Bayer MaterialScience at the Caojing site. The production unit for MDI, a raw material for polyurethane foam, is part of an investment project at this site with a total planned volume of some USD 1.8 billion through 2009.

The credit facility has a term of 10 years and may be drawn either in U.S. dollars or in the Chinese currency Renminbi. The interest rate is 30 basis points above Libor for U.S. dollar drawings, or 90 percent of the applicable base interest rate of the Chinese central bank for drawings in Renminbi. The commitment fee is 8 basis points per annum.

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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 public reports filed with the Frankfurt Stock Exchange and 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.