

Declaration by the Board of Management and the Supervisory Board of Bayer AG

concerning the German Corporate Governance Code (June 12, 2006 version) pursuant to Article 161 of the German Stock Corporation Act *

Under article 161 of the German Stock Corporation Act, the Board of Management and the Supervisory Board of Bayer AG are required to issue an annual declaration that the company has been, and is, in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger), or to advise of any recommendations that have not been, or are not being, applied. The declaration pursuant to article 161 of the Stock Corporation Act shall be available to shareholders at all times. An annual declaration was last issued in December 2005.

The Board of Management and the Supervisory Board declared in July 2006 that Section 7.1.2. Sentence 3 of the Code, according to which interim reports are to be publicly accessible within 45 days of the end of the reporting period, would not be complied with for the interim reports as of June 30, 2006 or September 30, 2006 because of the additional workload involved in including Schering AG and its subsidiaries in the consolidated financial statements of the Bayer Group.

With respect to the past, the following declaration refers to the June 2, 2005 version of the Code. With respect to present and future corporate governance practices at Bayer AG, the following declaration refers to the recommendations in the June 12, 2006 version of the Code.

The Board of Management and the Supervisory Board of Bayer AG hereby declare that the company is in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette and has been in compliance – except as stated in the supplementary declaration of July 2006 – since issuance of the last declaration of conformity in December 2005.

Leverkusen, December 2006

For the Board of Management:

For the Supervisory Board:

Wenning

Kühn

Dr. Schneider

* This is an English translation of a German document. The German document is the official and controlling version, and this English translation in no event modifies, interprets or limits the official German version.