Bayer Management Board Chairman Werner Wenning:

“Successful Research Will Be Central to Bayer’s Future Success”

2.3 Billion Euro Research Budget Unequalled in German Chemical Industry/
16 Company Scientists Awarded Otto Bayer Medals

Leverkusen – This year Bayer plans to invest a total of 2.3 billion euros in research and development, more than any other chemical company in Germany. Research will focus in particular on the life sciences, with 85 percent of the entire research budget earmarked for this area. In this way the Group underlines the key role innovation will play in future development. “Successful and efficient research will be central to the future success of the company,” emphasized Bayer Management Board Chairman Werner Wenning at the Bayer Innovation Forum at which 16 Bayer research scientists were awarded the Otto Bayer Medal for outstanding scientific achievements. “Bayer will continue to back its innovative strengths in the future. We intend to remain a research-based group and now aim to focus even more sharply on our core areas of expertise. This was one of the considerations behind the latest reorganization process and our decision to divest our chemicals business and some of our polymers operations.”

To focus on research in today’s difficult economic environment and use in-house strengths to achieve growth, it is necessary to concentrate all resources. According to Wenning, “Indiscriminate investment is simply not viable. We must set priorities.” The Management Board Chairman sees great benefits in the recent integration of the units of the former Central Research Division into the subgroups. The greater proximity to the marketing units, and thus to the customer, will intensify communication between the market-based and science-based sections of the company. “This will enable us to develop new strengths,” he said.
Dr. Udo Oels, the Management Board Member whose responsibilities include innovation, referred to the importance of the Otto Bayer Medals which are awarded every two years in memory of the famous research scientist and inventor of polyurethane chemistry, who, despite sharing the same surname, was not in fact related to the founder of the company. “The awarding of these medals to outstanding scientists is far more than a mere symbolic gesture. It is a traditional yet highly topical element of our corporate culture – a culture in which creativity and innovation are encouraged and success is rewarded,” said Oels.

The projects honored in this way are also a visible sign of the innovative power of the Group, which not only employs high-caliber scientists but also maintains a broad network of research collaborations with companies and universities in Germany and abroad.

This year’s winners of Otto Bayer Medals are:

**Dr. Andreas Schlegel** (Bayer Chemicals) for the development of an iron oxide nanocrystal grade which can adsorb arsenic from drinking water;

**Dr. Karlheinz Reichert, Dr. Christoph Schnitter and Dr. Leonid Shekhter** (H. C. Starck) for the development of a unique new process for manufacturing niobium powder, which is used to produce capacitors for cellphones, computers and many other devices;

**Dr. Wolfgang Fischer, Dr. Jürgen Meixner and Dr. Jan Weikard** for the development and market introduction of new raw materials for coatings cured with UV light and of Dual Cure technology (an environment-friendly and particularly scratch-resistant coating system);

**Dr. Reiner Fischer** (Bayer CropScience) for his design, invention and successful processing of keto-enols, which have led to the development in new insecticides;

**Dr. Hermann Bieringer, Dr. Erwin Hacker, Dr. Hermann Stübner and Dr. Lothar Willms** (Bayer CropScience) for their systematic further development and application of a technology for protecting crops when herbicides are applied;
Edward Huguenel, PhD, Timothy Lowinger, PhD, Dr. Bernd Riedl and Scott Wilhelm, PhD (Bayer HealthCare) for the development of the raf kinase inhibitor BAY 43-9006. This substance opens up new possibilities in cancer treatment.

Note to the editors: You will find a print-quality group photo of the prizewinners for downloading on the BayNews International server at www.press.bayer.com.

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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.