Award of the Otto Bayer Medal

Bayer honors its outstanding research scientists

CEO Werner Wenning: “Top-level research is the basis for the innovative strength of our inventor company”

Leverkusen – 29 Bayer Group scientists have been honored with the Otto Bayer Medal in recognition of their outstanding achievements in seven research projects. This year, the 18th occasion on which the prize has been awarded by the Otto Bayer Foundation, the focus is on innovations which have led to new products, helped optimize production processes or yielded novel developments for the markets of the future. Werner Wenning, Chairman of the Bayer Board of Management, and Dr. Udo Oels, Member of the Board of Management responsible for Innovation, Technology and Environment, presented the prizewinners with their awards, worth between EUR 3,000 and EUR 5,000, at an innovation forum in Leverkusen on March 10, 2006.

“All these outstanding achievements are examples of the very high level of research at Bayer”, said Wenning. “Our innovative strength as an inventor company is founded to a large extent on the creativity and perseverance of our researchers.” The award of the Otto Bayer Medal documents the high priority the company attaches to research, also reflected in the fact that Bayer plans to invest some EUR 1.9 billion in research and development this year, a larger spending than by any other German chemical and pharmaceutical company. “Having completed the restructuring of our enterprise, we are now focusing more than ever before on innovation and growth. The promising results of our research confirm we are on the right course here”, continued Wenning.

Research projects from the three subgroups Bayer HealthCare, Bayer CropScience and Bayer MaterialScience and from service company Bayer Technology Services were
selected for recognition, which reflects the breadth of the research landscape at Bayer. “The award of the Otto Bayer Medal is more than just symbolic. It is an integral aspect of our corporate research culture which fosters creativity and innovation, supports achievement and honors success”, said Dr. Oels. The Management Board member responsible for research was gratified that “recognition has also been given to teams that have achieved particular success in interdisciplinary projects, thus highlighting Bayer’s specific strengths.”

The winners of the Otto Bayer Medal 2006:

- Dr. Jacqueline Applegate, Dr. Stefan Dutzmann, Dr. Gerd Hänßler, Dr. Manfred Jautelat, Dr. Klaus Stenzel and Dr. Ralf Tiemann, all Bayer CropScience, Germany, for the development of the new fungicide, prothioconazole. This crop protection product displays outstanding effectiveness against a broad spectrum of diseases in various crop plants and is ideal for seed treatment. Under the name Proline®, prothioconazole was successfully brought to market in a number of European countries during 2004. Initial sales exceeded expectations, leading to forecasts of a great future for the product.

- Dr. Hieronim Polewicz, Bayer CropScience, Canada, for a new canola hybrid breeding program that yielded a range of superior InVigor® hybrid varieties for the Canadian and U.S. markets. These products, which incorporate Bayer’s proprietary SeedLink® hybridization and LibertyLink® herbicide tolerance technologies, were first introduced on the market in 1997. The innovative breeding program has allowed Bayer to set new benchmarks for canola and become the market leader in North America, particularly in Canada.

- Peter Jepson, Dr. Prabhat Kumar and Gary A. Rozak, all H.C. Starck, USA, for a process to produce thin films of inorganic materials. These are used in, for example, flat panel displays or as a diffusion barrier layer between silicon chips and copper interconnects in integrated circuits. Based on a high-tech platform, the team developed a method to yield specialty metals with high purity, homogeneity and other properties required by the market for these applications. Sales by H.C. Starck in this field have grown significantly over the past five years, with further growth expected in the coming three years.

- Dr. Stefan Groth, Dr. Harald Mertes, Dr. Frank Richter and Dr. Jörg Schmitz, all Bayer MaterialScience, Germany, for the development of a new process to
manufacture low-viscosity polyurethanes (polyisocyanates). The new polymers have revolutionized the prior art and, used in the formulation of lightfast coatings, yield significant advantages over established market systems. These polyisocyanates, for which there is increasing demand, are used primarily in the formulation of low-solvent and waterborne coatings characterized by a system-based reduction in viscosity and an otherwise unaltered property profile.

- Dr. Ricarda Leiberich, Bayer Technology Services; Dr. Jürgen Meyn and Dr. Johann Rechner, both Bayer MaterialScience; Dr. Johann Seeba, formerly Bayer Technology Services and now Bayer CropScience; and Ricardo Serra, Bayer MaterialScience, all Germany, for the invention of a new measuring technology to investigate very complex and fast reactions. For the first time, it is possible to record chemical processes in gases and liquids at intervals of 25 milliseconds, thus allowing explanation of both primary and secondary reactions and quantification of the products in reaction models. This new information has significantly boosted the efficiency of polymer production and serves as a key element in the planning of new production facilities. One example of the application of the technology is the diphenyl carbonate facility in Caojing, China, in which costly chiller equipment has been substituted with an inexpensive cooling water system.

- Dr. Robert G. Arther, Dr. Josef Heine, Dr. Andrea Hentges and Dr. Kirkor Sirinyan, all Bayer HealthCare, USA, for the pioneering new formulation of the multifunctional Animal Health product Advocate®. The active ingredient, imidacloprid, is spread efficiently over the animal’s entire body, eradicating fleas throughout its coat. At the same time, the highly innovative formulation delivers a second active ingredient, moxidectin, to the body. After penetrating the skin, moxidectin is distributed via the bloodstream to control endoparasites such as heartworm, roundworm and whipworm. The residual efficacy of moxidectin after one-month application offers the first protection against patent roundworm and hookworm infections in dogs and cats.

- Dr. Emanuel Lohrmann, Dr. Frank Misselwitz, Dr. Elisabeth Perzborn, Dr. Susanne Röhrig and Dr. Klaus Wehling, all Bayer HealthCare, Germany, and Dr. Alexander Straub, now Bayer CropScience, Germany, for the invention and development of the direct Factor Xa inhibitor BAY 59-7939, a novel active substance for the treatment and prevention of thromboembolic disorders. BAY 59-7939 is expected to be effective in the secondary prevention of thromboembolic events such as pulmonary embolism, stroke and myocardial infarction. Data available so far show the substance to be an effective anticoagulant that can be taken in tablet form.
Since 1984 the Otto Bayer Medal has been awarded regularly to Bayer’s outstanding research scientists by the Otto Bayer Foundation in memory of Professor Otto Bayer, the originator of polyurethane chemistry. The former Head of Research at Bayer AG, who was not related to the company’s founder, died in 1982.

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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 file 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.