
Bayer AG Ad-hoc Message

December 6, 2001 Bayer to establish management holding company with operating subsidiaries

Bayer plans to transform its current organizational structure into a management holding company with independent operating subsidiaries. Subject to stockholders' approval, the new structure is to be operational effective January 1, 2003. Plans to this effect were approved by the company's Supervisory Board at its meeting on December 6, 2001.

As part of this restructuring, Bayer plans to divest non-core businesses: the wholly owned subsidiary Haarmann & Reimer of Holzminden, Germany, a manufacturer of fragrances and flavors, and Rhein Chemie Rheinau of Mannheim, Germany, a specialist in additives for the rubber, lubricants and plastics industries as well as in polyurethane chemistry. Bayer also plans to sell its 50 percent interest in PolymerLatex GmbH & Co. KG of Marl, Germany, a joint venture with Degussa AG.

Following the decision made in September to transfer the Health Care segment and the Crop Protection Business Group into legally independent corporate units within the Bayer Group, the same action is now to be taken for the Polymers and Chemicals business segments as well. Essential corporate services not directly assigned to the operating companies will be merged into service companies for the benefit of the entire Bayer Group.

Forward-Looking Statements

This news release may contain 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 substantial differences between the actual future results, financial situation, development or performance of the company and the estimates given here. The company accepts no obligation to continue to report or update these forward-looking statements or adjust them to future events or developments.