

Bayer: Acquisition of Sybron Chemicals successfully completed

99.6 percent of the shares purchased in the tender offer

Leverkusen - Bayer Corporation, a subsidiary of the Leverkusen, Germany-based Bayer Group, has successfully completed the purchase of U.S. polymers and specialty chemicals producer Sybron Chemicals Inc. In the tender offer, which expired at midnight on Friday, October 20, 2000, Sybron's stockholders tendered a total of 99.6 percent of the approximately 5.7 million outstanding shares, receiving from Bayer the sum of \$35 per share. The total purchase price, including all of Sybron's liabilities and options on Sybron shares, is approximately \$325 million. The antitrust authorities in the United States and Germany had already approved the deal.

The acquisition provides Bayer's global Coatings and Colorants Business Group (Polymers segment) and global Specialty Products Business Group (Chemicals segment) with access to new technologies and products. It also allows these business groups to expand their product offerings in the NAFTA region. Along with the Health Care and Agriculture business segments, Polymers and Chemicals make up the Bayer Group's core activities.

In the polymer intermediates business, the Sybron acquisition gives Bayer expertise and a good market position in the NAFTA region for raw materials for powder coating – an environmentally friendly industrial coating technology. The same is true of Sybron's business in functional polyesters outside the powder coatings field. Both of these activities complement Bayer's polyurethane hardeners business.

Substantial synergy comes from combining Sybron's North American polymer intermediates business with the worldwide distribution structure of Bayer's Coatings and Colorants Business Group. Other advantages for Bayer result from the combined purchase volume of raw materials and services.

The acquisition also will significantly improve the market position of Bayer's Specialty Products Business Group in North America and Europe, particularly its Textile Processing Chemicals and Special Fields unit.

At the start of 1999, all of Bayer's activities in the coatings, pigments, dyes and adhesives fields were placed into the Coatings and Colorants Business Group. With 4,800 employees worldwide, the business group increased sales in 1999 by 11 percent to EUR 1.73 billion (\$1.67 billion). Further growth of 16 percent was recorded in the first half of 2000.

Bayer Specialty Products Business Group products include specialty chemicals for the textile, leather and paper industries, ion exchange resins, water chemicals, polymer additives, and ingredients for wood and industrial preservatives. It has 3,800 employees worldwide and achieved revenues of EUR 1.15 billion (\$1.11 billion) in 1999, an increase of 3 percent over the prior year. Sales grew by 12 percent in the first six months of 2000.

During the first half of 2000, Sybron Chemicals' revenues rose by 10 percent to \$147.13 million and the company recorded an operating profit of \$15.22 million. It had 900 employees as of the end of 1999.

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