

BAYER AND BURRILL & COMPANY FORM DIAGNOSTICS CAPITAL FUND

San Francisco, CA and Tarrytown, NY – January 7, 2002 – Bayer Diagnostics, through Bayer Innovation BmbH (a subsidiary of Bayer AG), and Burrill & Company today announced the formation of the Burrill Diagnostics Capital Fund, a new \$50-million venture capital fund with an initial closing of \$25 million. Additional fundraising for the fund is expected to be completed by June 2002.

“We are honored and enormously pleased to have so venerable a partner as Bayer in this venture,” remarked G. Steven Burrill, CEO of Burrill & Company a San Francisco-based life sciences merchant bank. “The diagnostics sector is an exciting market with opportunities for investment in the development of products that will aid not only in the diagnosis of disease, but also the monitoring of treatment. On the clinical development side, the use of diagnostic biomarkers also will help in efforts to personalize medicine and reduce drug development costs by aiding in patient selection.”

The Burrill Diagnostics Capital Fund will provide innovative diagnostic technology companies with funds to fully exploit the application of novel, bio-based technologies and provide growth capital to product-based companies. Genomics, proteomics, pharmacogenomics, functional genomics and other technologies are enabling researchers to better understand disease function and thereby design more effective means for the diagnosis of disease and the monitoring of a given therapy’s success in treating the ailment. Such tools also provide the means for genotyping for disease susceptibility and for stratifying patient populations in clinical trials for drug approval. The market opportunities for these technologies include in-vitro and in vivo diagnostics as well as the emerging field of diagnostics.

“Our association with the Burrill Diagnostics Venture Capital Fund compliments our ongoing desire to gain insight into new technologies that can make a positive impact on human health,” said Rolf Classon, President of Bayer Diagnostics. “The fund will focus on emerging high-growth areas such as device miniaturization, pharmacogenomic testing and non-invasive testing, as we work to apply these technologies to disease diagnosis and positively impact human healthcare.”

The Burrill Diagnostics Fund is part of a family of life science-focused funds managed by Burrill & Company. These include the Burrill Biotechnology Capital Fund (capitalized at \$140 million), the Burrill Agbio Capital Fund (capitalized at \$66 million), the Burrill Agbio II Capital Fund (capitalized at \$35 million), the Burrill Nutraceuticals Capital Fund (capitalized at \$60 million), and the Burrill Biomaterials/Bioprocess Capital Fund (currently capitalized at \$15 million). Each fund has a focus within life sciences determined, in part, by its strategic Limited Partners.

Bayer Diagnostics

With more than 7,300 employees worldwide and 2000 sales greater than \$1.8 billion, Bayer Diagnostics (www.bayerdiag.com), based in Tarrytown, New York, USA, is one of the largest diagnostic businesses in the world. The organization supports customers in 100 countries through an extensive portfolio of central, self-testing, nucleic acid and near patient care diagnostics systems and services for use in the assessment and management of health, including the areas of cardiovascular and kidney disease, oncology, virology, women's health and diabetes. Bayer Diagnostics is a part of the worldwide Bayer Group, a \$29 billion international health care and chemicals group based in Leverkusen, Germany. Bayer Diagnostics' global headquarters in the United States operates as part of Bayer Corporation of Pittsburgh, a research-based company with major businesses in health care, life sciences and chemicals.

Burrill & Company

Burrill & Company is a life sciences merchant bank, focused exclusively on biotechnology, pharmaceuticals, diagnostics, human healthcare, related medical technologies, agricultural technologies, nutraceuticals, and biomaterials/bioprocess. Burrill & Company's family of venture capital funds has over \$350 million under management. The company, which has completed more than 20 strategic partnerships with a value in excess of \$1 billion, works with major life science companies to spin-out internal assets and capitalize on their value. These activities range from the outright sale of products or businesses to creation of new companies capable of exploiting these assets. For more information, please visit Burrill & Company's website at www.burrillandco.com.

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.