

Further portfolio streamlining:

Bayer plans to divest household insecticides

No. 2 in the world, but no longer a core business

Leverkusen – In a move to further streamline its portfolio, Bayer AG plans to divest its Household Insecticides Business Unit, which is part of the Consumer Care Business Group. Comprising mainly the successful Baygon® insecticide and Autan® repellent brands, the business has annual sales of some EUR 400 million, making it the global number two in its market segment. In addition to the trademark rights, the production facilities and sales offices will also be sold. The active ingredient business, however, will remain with the Bayer Group.

“In our Health Care business area, we now want to concentrate even more on our core competencies, which are researching, manufacturing and globally marketing human and animal health care products, as well as diagnostic systems,” explained Bayer CEO Dr. Manfred Schneider. “Our world-renowned Baygon® and Autan® are no longer a good fit in this environment. They would have better growth prospects with a company specialized in such products.”

The business unit’s principal markets are in Asia and Latin America, while in the crucial North American and European markets it lacks the critical mass to capture market share from its much larger competitors. Bayer would need to invest heavily to continue growing this business, and such investment is not planned in view of the focus on other major areas in the future portfolio of Bayer HealthCare AG. To a

suitable purchaser, however, the business offers significant potential for expansion, especially at the regional level.

Bayer aims to complete the sale by the end of 2002.

Leverkusen, March 12, 2002

Forward-Looking Statements

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