Bayer Biological Products Receives FDA Approval for Additional Kogenate® FS Manufacturing Processes

Approval of 200 liter fermenters increases production capacity for the U.S.

Leverkusen - Bayer Biological Products (BP) announced today receipt of United States Food and Drug Administration (FDA) approval for additional processes used in the manufacture of Kogenate® FS, Antihemophilic Factor (Recombinant), formulated with sucrose. This approval enables Bayer BP to expand production capacity and reinforces its position as a reliable supplier of Kogenate® FS. Further, the approval creates additional momentum for Bayer BP to achieve its highest ever quarterly releases of recombinant factor VIII by spring 2003.

Specifically, FDA approved Bayer BP's use of six 200 liter fermenters at its Berkeley Calif. manufacturing facility. The 200 liter fermenters, twice the volume of the fermenters currently utilized, are used to grow hamster kidney cells that have been modified through highly advanced recombinant technology to produce human Factor VIII, the blood protein missing in individuals living with hemophilia A.

Because the 200 liter fermenters are now approved in the United States, Kogenate® FS manufactured using these fermenters can be released for use in the U.S. marketplace.

Dr. Glenn Pierce, president of the National Hemophilia Organization, expressed his excitement over the approval. "Over the last several months Bayer BP has worked extremely hard to get back to normal releases of recombinant Factor VIII in a marketplace that has experienced significant shortages. This latest approval of their 200 liter fermenters is very good news for the hemophilia community."

Dr. Gunnar Riemann, executive vice president, Bayer Corporation, and president, Bayer BP Division, commented on the significance of the approval. "Our commitment to providing reliable supplies of Kogenate® FS is stronger

than ever, and our releases are continuing to increase. This approval is one of several positive communications received recently from FDA, and is extremely important to us and to the community of patients we serve."

These recently received positive communications relate to inspections conducted over the last two years at the Clayton, North Carolina and Berkeley manufacturing facilities. In these communications, FDA expressed its satisfaction with Bayer BP's responses and progress made to address observations made during inspections at Berkeley and Clayton in late 2000, a subsequent Clayton inspection in March 2001, and in the Warning Letter issued July 2001. As a result, the Warning Letter is now officially closed.

Additionally, FDA informed Bayer BP that responses and corrective actions following the March 2002 Berkeley inspection are acceptable. These communications reinforce findings of compliance by Canadian and European regulatory authorities following their inspections earlier this year.

Reacting to the recent positive news from FDA, Carol Moore, vice-president of regulatory affairs at Bayer BP stated, "Needless to say, we are very pleased with the approval of the 200 liter fermenters and the closing of the Warning Letter. Sustainable compliance with FDA's Good Manufacturing Practice standards, will always be our goal and we will meet that goal through continuous vigilance, evaluation, and change as warranted."

Lerverkusen, 2002-10-01

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 filed 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.