

Major investment at Bayer's Dormagen plant

Bayer AG: New EUR 170 million TDA plant

Cost-effective production of polyurethane intermediate

Dormagen – Bayer AG is expanding its production capacity for TDA (toluene diamine), an intermediate in the production of polyurethanes. Approximately EUR 170 million is being invested in a new plant at Bayer's Dormagen site. This "world-scale plant" is one of the largest production facilities of its type in the world. Production should start during the second half of 2003 when the new facility, which has a capacity of approx. 200,000 metric tons of TDA per year, will replace the current plants. In future, it is anticipated that Bayer's sites at Leverkusen and Brunsbüttel amongst others will also be supplied with TDA from Dormagen.

"This major future-oriented investment contributes considerably through cost-effective production to the consolidation of our leading position in the global marketplace," stressed Dr. Hagen Noerenberg, Head of the Polyurethanes Business Group and chairman designate of Bayer Polymers AG.

Dormagen is already one of the most important polyurethanes sites in the world: in addition to production units, one of the polyurethane Research and Development Centers is also located on the Lower Rhine site. Dormagen is also home to a newly developed process, which offers much more cost-effective TDA production than previous processes. This process is now also going to be used in the new plant following its successful application in a similar plant at Bayer's Baytown site (USA). Construction work in Dormagen has already started. Two production buildings, a tank farm, an on-site waste gas incinerator and the operations center are taking shape on the site, which covers an area equivalent to three football pitches.

Polyurethanes are part of the core business of Bayer AG. The current Polyurethanes Business Group, which is situated in Leverkusen and is the international leader in the production of raw materials and systems in this area, will become one of the mainstays of Bayer Polymers AG. In this subgroup Bayer is focusing all of its activities on the polymers sector within the context of the Group restructuring process.

Polyurethanes can be found in practically every aspect of our daily life: Foam in mattresses, insulation for refrigerators, shoe soles, inner liners, instrument panels and car body parts are all made from this material (known as "PU" for short), as are plastic chairs and rigid foam insulating boards. Even the high-speed Japanese train known as the Bullet train (Shinkansen), travels on glass fiber-reinforced sleepers made of polyurethane from Bayer.

Leverkusen, May 13, 2002

Forward-Looking Statements

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