

Further consolidation of the diagnostics business:

Bayer agrees to acquire Visible Genetics Inc. for US\$ 61.4 million

HIV test portfolio crucially expanded

Leverkusen/Tarrytown – As a further consolidation of its diagnostics business, Bayer Corporation, the U.S. subsidiary of the Bayer Group, has agreed to acquire Visible Genetics Inc. (VGI), a Canadian company listed on the U.S. NASDAQ stock exchange. The purchase price is valued at US\$ 61.4 million; Bayer will purchase VGI's outstanding common shares at a cost of \$1.50 per share and Series A preferred stock at par plus accrued dividends. The transaction is subject to approval from the regulatory authorities and the VGI shareholders, who will be asked to approve the plan at a stockholders' meeting scheduled for October 2002.

“This acquisition is another milestone in our ongoing strategy to expand our Infectious Disease portfolio which began with our acquisition of Chiron Diagnostics in 1998,” said Rolf Classon, Head of the Diagnostics Division of the future Healthcare subgroup of Bayer AG.

With a market share of around 10 percent in the medical diagnostics sector and annual sales of EUR 2.0 billion, Bayer Diagnostics is among the world's four largest providers in this field. The acquisition of VGI is intended to further expand the company's position in the field of nucleic acid diagnostics.

VGI's assay portfolio complements Bayer's existing range of nucleic acid tests for HIV and hepatitis. VGI plays a leading role in resistance determination by means of sequencing analysis with its TRUGENE™ tests, which include the TRUGENE™ HIV-1 test, the only HIV sequencing Genotyping Test to have been granted market approval by the US Food and Drug Administration.

The treatment of viral diseases is frequently complicated by the development of resistant viruses. Resistance testing is therefore carried out as a measure

to monitor therapeutic success, an approach that is also recommended in medical guidelines.

With approximately 7,000 employees worldwide, Bayer Diagnostics, based in Tarrytown, New York, USA, supports customers in 100 countries through an extensive portfolio of central laboratory, 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, an international health care and chemicals group based in Leverkusen, Germany.

Visible Genetics Inc., Toronto, Canada, develops, manufactures and markets automated DNA sequencing systems. The company has 350 employees worldwide; sales in 2001 amounted to US\$ 14 million.

Leverkusen, July 24, 2002

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.