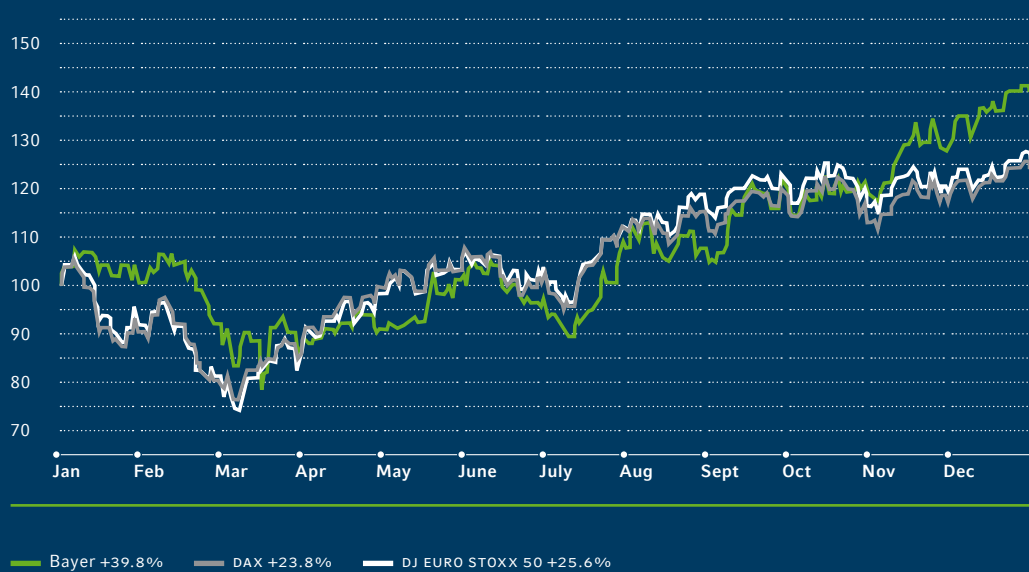


Investor Information

Performance of Bayer Stock in 2009

[Graphic 2.1]

(indexed; 100 = closing price on December 31, 2008)



Bayer stock showed a strong performance in 2009, appreciating by nearly 40 percent, while the DAX ended the year up 24 percent. The Board of Management and the Supervisory Board propose the distribution of a dividend of €1.40 per share, the same as for the previous year.

A volatile year on the stock markets

Sharp fluctuations throughout 2009

Substantial price movements characterized the international stock markets in 2009. In the wake of the economic and financial crisis, the DAX had slipped roughly 24 percent by early March to its year low of 3,666 points. This was also its lowest level for five years. However, the market rallied considerably in the months that followed, and the DAX closed the year at 5,957 points, up some 24 percent from the end of 2008. On a longer-term view, 2009 was an above-average year on the German stock market. In only three of the past ten years did the DAX achieve a better performance: 1999 (approx. 39 percent), 2003 (approx. 37 percent) and 2005 (approx. 27 percent).



For more information about Bayer on the capital market, go to WWW.INVESTOR.BAYER.COM

Prices trended similarly in other European countries, Asia and North America, with the DJ EURO STOXX 50 up some 26 percent on the year, the S&P 500 in the U.S. gaining around 23 percent and Japan's Nikkei 225 rising 19 percent.

The positive trend in equities, especially in the second half of the year, was driven primarily by central bank and fiscal policy and investor optimism about an economic recovery.

Bayer stock again significantly outperformed the DAX

In 2009, Bayer stock outperformed the DAX and EURO STOXX 50 indices for the third consecutive year, gaining 34.7 percent on the year. Including the dividend of €1.40 per share for 2008 paid in May 2009, its performance amounted to 39.8 percent. The shares ended 2009 at €55.96, very close to their high for the year.

Bayer's market capitalization showed an even stronger improvement. The conversion of the mandatory convertible bond in June 2009 boosted the number of shares to 826,947,808. In sum, our market capitalization rose last year by nearly 46 percent to over €46 billion.

The trading volume in our shares receded by about 30 percent from the previous year to an average of 4.3 million per day. However, Bayer stock still trended better than the average for the Deutsche Börse cash market, which was down more than 50 percent compared with 2008.

Successful capital market transactions despite difficult market conditions

In the first half of 2009, the ability to raise capital in order to refinance debt and create an additional liquidity reserve for risk management was almost entirely confined to companies with investment-grade ratings. Although risk premiums were far higher than before the collapse of the U.S. investment bank Lehman Brothers, they were more favorable than in the fourth quarter of 2008 and below those on equivalent bank loans.

The decline in risk premiums during the year can be seen from the trend in credit default swaps (CDS), depicted in graphic 2.2. The market price of these tradable insurance contracts, which are used to hedge against default of a borrower, depends on the underlying credit risk and thus helps to determine the credit margin when raising debt.

Bayer's good credit rating and sound reputation on the capital market enabled us even in the first half of 2009 to raise capital for purposes of refinancing and creating a safety cushion. In the first quarter of 2009 we issued promissory notes (Schuldscheine) with a total face value of €620 million and a €1.3 billion Eurobond.

A list of the bonds issued by Bayer can be found in Note [27] to the consolidated financial statements on page 227.

Bayer Stock Data

[Table 2.1]

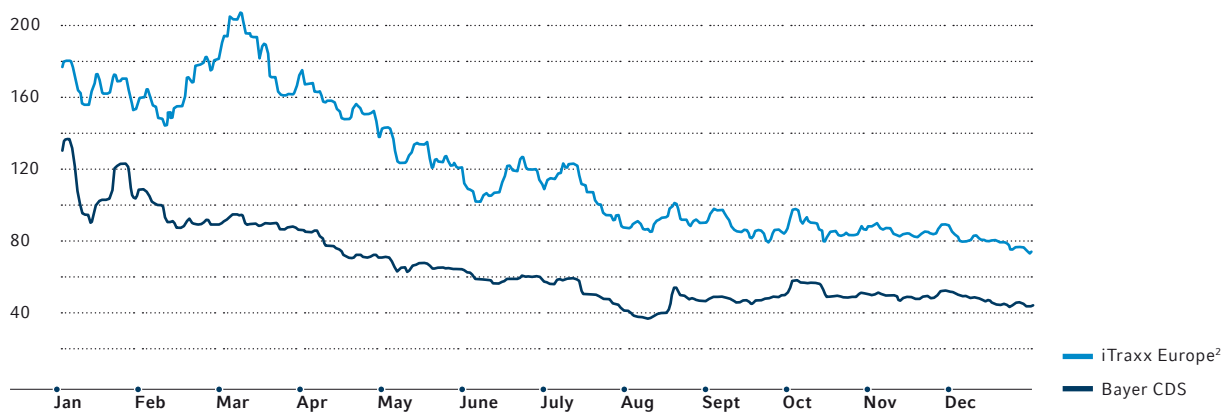
		2008	2009
Earnings per share	€	2.22	1.70
Core earnings per share ¹	€	4.17	3.64
Cash flow per share	€	6.93	5.63
Equity per share	€	21.38	22.92
Dividend per share	€	1.40	1.40
Year-end price ²	€	41.55	55.96
High for the year ²	€	65.68	56.45
Low for the year ²	€	36.83	32.69
Total dividend payment	€ million	1,070	1,158
Shares entitled to the dividend (Dec. 31)	million	764.34	826.95
Market capitalization (Dec. 31)	€ billion	31.8	46.3
Average daily trading volume	million	6.0	4.3
Price/EPS ²		18.7	32.9
Price/core EPS ^{1,2}		10.0	15.4
Price/cash flow ²		6.0	9.9
Dividend yield	%	3.4	2.5

¹ For details on the calculation of core earnings per share, see the combined management report, Chapter 4.3, page 75.

² XETRA closing prices (source: Bloomberg)

Rates for Five-Year Credit Default Swaps (CDS) in 2009

[Graphic 2.2]

in basis points¹

¹ source: Bloomberg

² iTraxx Europe is a CDS index comprising the CDS of 125 companies (including financial institutions) with investment-grade ratings.

Average return on Bayer stock remains ahead of the market

A long-term investor who purchased Bayer shares for €10,000 five years ago and reinvested all dividends would have seen the value of the position grow to €27,247 as of December 31, 2009, giving an average annual return of 22.2 percent.

Long-Term Returns on Bayer Stock in % p.a. (Dividends Reinvested)

[Table 2.2]

Annual returns	1 year 2009	3 years 2007–09	5 years 2005–09
	%	%	%
Bayer	+39.8	+14.3	+22.2
DAX	+23.8	-3.3	+7.0
DJ EURO STOXX 50	+25.6	-7.4	+3.1

A sustainable investment

Bayer stock is included in many important sustainability indices and funds that single out companies with sustainable and responsible corporate strategies. These include the Dow Jones Sustainability Index World, the FTSE4Good index series, the Storebrand SRI Funds and the ASPi (Advanced Sustainable Performance Indices) Eurozone. Our sustainability reporting is based on the guidelines issued by the Global Reporting Initiative.

In 2009 Bayer was honored by the Carbon Disclosure Project (CDP) for its climate reporting, and included in the Carbon Disclosure Leadership Index (CDLI) as the world's best company on this criterion. The CDLI ranks companies on the range and depth of carbon disclosure.

Bayer also explained its commitment to sustainability at one-on-one meetings and conferences with investors.

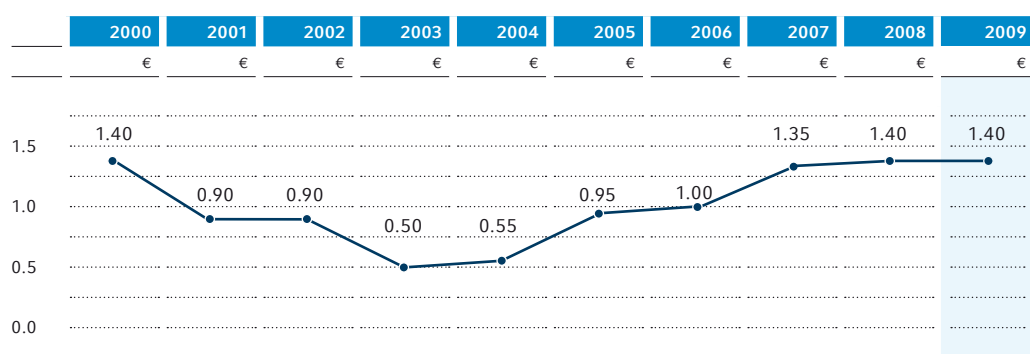
Dividend steady at €1.40 per share

The Board of Management and the Supervisory Board will propose to the Annual Stockholders' Meeting that a dividend of €1.40 per share be paid for 2009, the same as for the previous year. This results in a payout ratio of approximately 38 percent calculated on core earnings per share (see page 75), which is within the target corridor of 30 to 40 percent.

The dividend yield calculated on the share price of €55.96 at year end 2009 amounts to 2.5 percent and the total dividend payment to €1,158 million.

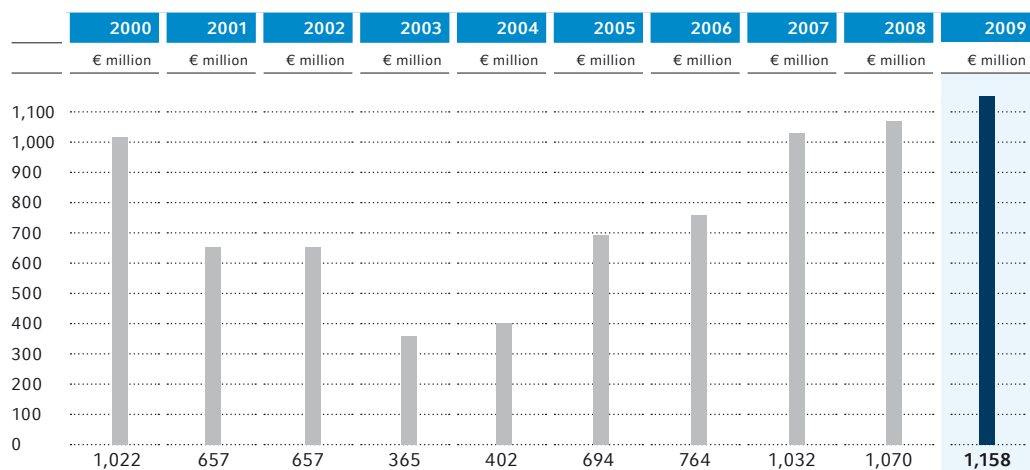
Dividends Per Share

[Graphic 2.3]



Total Dividend Payment

[Graphic 2.4]



Switch to registered shares

In September 2009 Bayer AG switched its entire capital stock of 826,947,808 bearer shares to registered shares at a conversion ratio of 1:1. Listing our stockholders in the share register is intended to facilitate contact with them and increase transparency.

Switch to registered shares facilitates contact and increases transparency

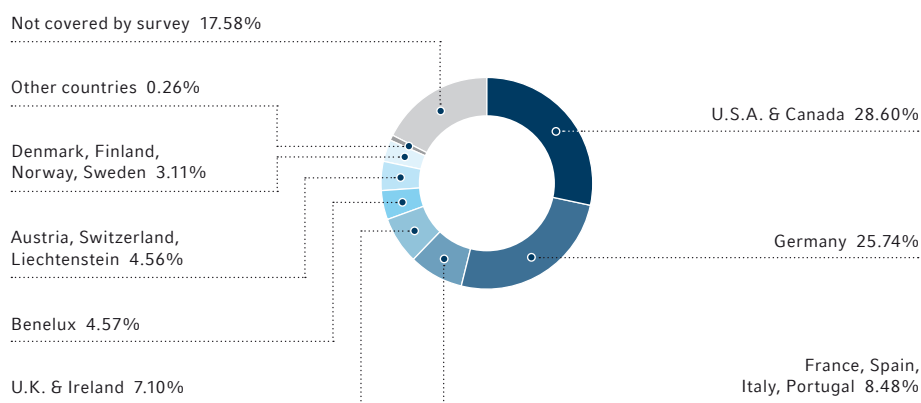
International ownership structure

As of December 31, 2009, approximately 320,000 stockholders worldwide were listed in our share register.

The following graphic shows the geographical distribution of our stockholders, based on the results of an international survey conducted in November 2009:

Ownership Structure by Country

[Graphic 2.5]



Registered shares make investor relations activities more efficient

The share register offers us additional opportunities to identify our stockholders and more accurately target our communications. The switch to registered shares has thus increased the efficiency of our investor relations activities.

Last year, we held some 400 one-on-one meetings with investors at 26 financial centers, providing them with information on topics of current interest relating to the Bayer Group. Along with our quarterly reporting, the pharmaceuticals research pipeline remains the prime focus of investors' attention. As in the past, we held conference calls, which were also streamed on the Internet, to keep stockholders informed of progress with drug products or candidates such as Xarelto® or riociguat.

Our Bayer MaterialScience subgroup also received increased attention at the start of the year in light of the economic situation. The consequences of the financial and economic crisis and our actions to counter its effects were discussed at length.

Investors also followed topics relating to the CropScience subgroup, such as new license agreements and collaborations and the acquisition of Athenix Corp.

Awards for investor relations activities

Our IR activities once again garnered several awards from investors and analysts in 2009. For example, our investor relations team was named the best in the chemicals sector following a survey conducted by the u.s. capital market journal *Institutional Investor* and was similarly honored in the UK & Continental Europe Awards presented by *IR Magazine*. We are also proud to have secured third place among EURO STOXX 50 companies in the 2009 Investor Relations Awards bestowed by the German business magazine *Capital*.