

Bayer stock performed very well in the first quarter of 2007, ending the quarter at €47.84, up 17.7 percent from the closing price on December 31, 2006. This was the highest closing price for Bayer stock in the past five years. Over the same period the DAX rose 4.9 percent to 6,917.

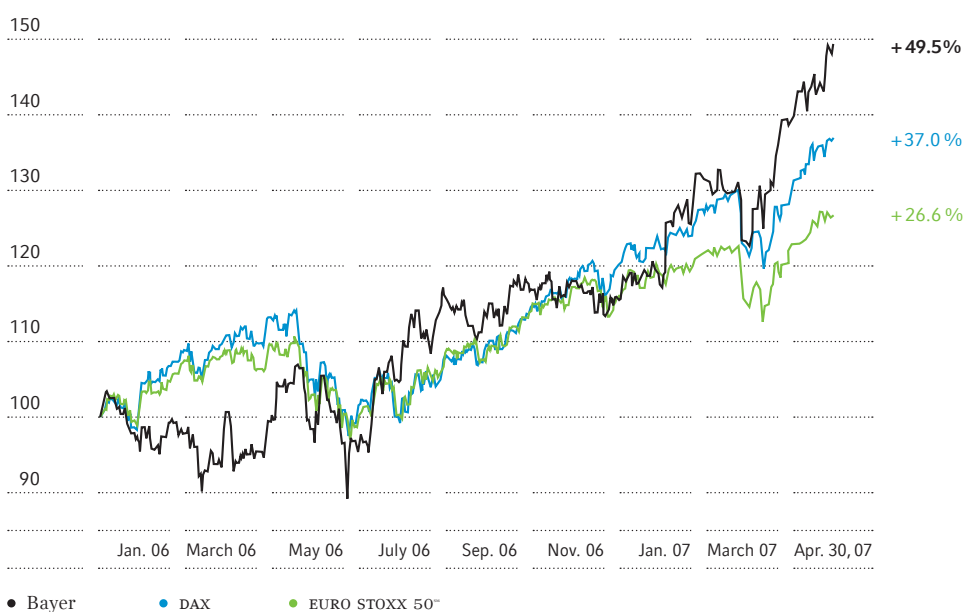
Supported by a favorable market environment, this outstanding performance was due to the good results for fiscal 2006 and our positive business outlook, which in turn led to a number of upgrades by financial analysts.

Bayer Stock Key Data		1st Quarter	1st Quarter	Full Year	Change March 31, 2007/ Dec. 31, 2006 %
		2006	2007	2006	
High for the period	€	36.37	47.84	40.92	
Low for the period	€	31.70	40.20	30.56	
Average daily share turnover on German stock exchanges	million	5.6	5.5	5.6	
		March 31, 2006	March 31, 2007	Dec. 31, 2006	
Share price	€	33.06	47.84	40.66	17.7
Market capitalization	€ million	24,145	36,566	31,078	17.7
Stockholders' equity	€ million	12,105	15,906	12,851	23.8
Number of shares entitled to the dividend	million	730.34	764.34	764.34	0.0
DAX		5,970	6,917	6,597	4.9

XETRA closing price; source: Bloomberg

Performance of Bayer Stock

Index (100 = XETRA closing price on December 31, 2005)



Calculation of core earnings per share

Earnings per share according to IFRS are affected by the purchase price allocation and other special factors. To enhance comparability, we also determine core net income from continuing operations after elimination of the amortization of intangible assets, asset write-downs (including any impairment losses), special items in EBITDA and extraordinary factors affecting income from investments in affiliated companies (such as divestment gains or write-downs), including the related tax effects.

The calculation of earnings per share in accordance with IFRS is explained in the notes to this interim report on page 38. Adjusted core net income, core earnings per share and core EBIT are not defined in the International Financial Reporting Standards. Therefore they should be regarded as supplementary information rather than stand-alone indicators.

Calculation of Core EBIT and Core Earnings per Share	1st Quarter 2006	1st Quarter 2007
€ million		
EBIT as per income statement	1,049	1,175
Amortization and write-downs of intangible assets	131	293
Write-downs of property, plant and equipment	6	24
Special items (other than write-downs)	128	216
Core EBIT	1,314	1,708
Non-operating result (as per income statement)	(210)	(218)
Extraordinary income/loss from investments in affiliated companies	-	-
Income taxes (as per income statement)	(277)	(301)
Tax adjustment	(93)	(177)
Income after taxes attributable to minority interest (as per income statement)	3	(1)
Core net income from continuing operations	737	1,011
Financing expenses for the mandatory convertible bond, net of tax effects	-	24
Adjusted core net income	737	1,035
Shares		
Weighted average number of issued ordinary shares	730,341,920	764,341,920
Potential shares to be issued upon conversion of the mandatory convertible bond	-	59,523,810
Adjusted weighted average total number of issued and potential ordinary shares	730,341,920	823,865,730
Core earnings per share from continuing operations (€)	1.01	1.26