

Stockholders' Newsletter 2001

Interim Report for the First Three Quarters of 2001

Forward-looking statements

This Stockholders' Newsletter contains forward-looking statements. These statements use words like "believes", "assumes", "expects" or similar formulations. Various known and unknown risks, uncertainties and other factors could lead to substantial differences between the actual future results, financial situation, development or performance of our company and those either expressed or implied by these statements.

These factors include, among other things:

- downturns in the business cycle of the industries in which we compete;
- new regulations, or changes to existing regulations, that increase our operating costs or otherwise reduce our profitability;
- increases in the price of our raw materials, especially if we are unable to pass these costs along to customers;
- loss or reduction of patent protection for our products;
- liabilities, especially those incurred as a result of environmental laws or product liability litigation;
- fluctuation in international currency exchange rates as well as changes in the general economic climate; and
- other factors identified in this Stockholders' Newsletter.

In view of these uncertainties, we caution readers not to place undue reliance on these forward-looking statements. We accept no obligation to continue to report or update these forward-looking statements or adjust them to future events or developments.

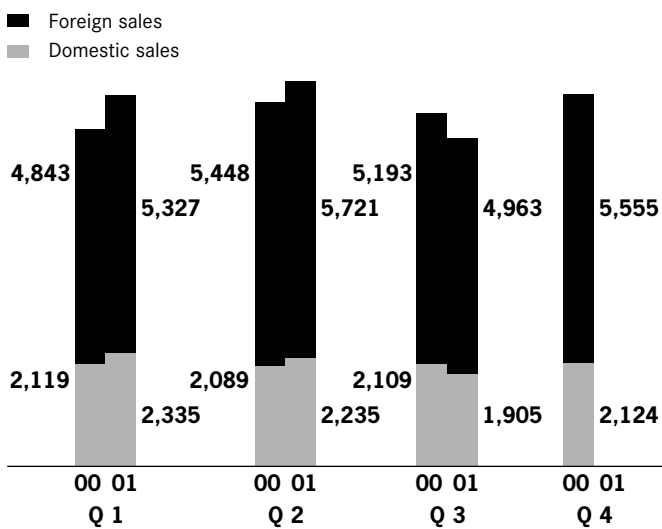


Weak economy, withdrawal of Lipobay®/Baycol®

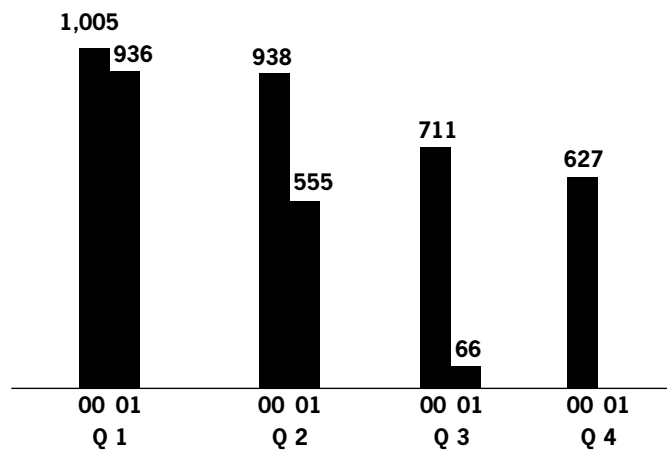
Sales and earnings down in the third quarter

Internal financing capability improved, debt reduced

Sales from Continuing Operations (€ million)



Operating Result from Continuing Operations Before Exceptional Items (€ million)



The world economy continued to slow in the third quarter, with Japan and the United States in recession. In Germany the economy is stagnating. The expansion in the emerging Asian economies and in Latin America has become greatly subdued. On top of this, the terrorist attacks in the U.S. have discouraged consumer spending and led to a further drop in demand from major customer industries.

Bayer's sales from continuing operations declined by 6 percent in the third quarter to €6.9 billion due to the weakness of the economy. In addition, the withdrawal of the cholesterol-lowering drug Lipobay®/Baycol® caused a €0.4 billion loss of revenue compared to budget. Sales for the first nine months of 2001 rose 3 percent to €22.5 billion.

Change in Sales		
	3rd Quarter	First Three Quarters
Reported	- 9.8 %	- 0.1 %
Continuing operations	- 5.9 %	+ 3.1 %
Volumes	- 4 %	- 3 %
Prices	- 3 %	+ 2 %
Exchange rates	- 1 %	+ 1 %
Portfolio changes	+ 2 %	+ 3 %

The operating result before exceptional items fell in the third quarter from €711 million to €66 million, and in the first nine months from €2.7 billion to €1.6 billion. Major reasons for this, apart from cyclical factors, were the withdrawal of Lipobay®/Baycol®, the production shortfall for biological products and high expenditures to reengineer our business processes. Disregarding these one-time effects, the operating result was down 45 percent in the third quarter and 20 percent in the first three quarters due to the general economic slowdown. However, we scored an initial €0.8 billion improvement in working capital performance, boosting the net operating cash flow for the third quarter by 30 percent year-on-year.

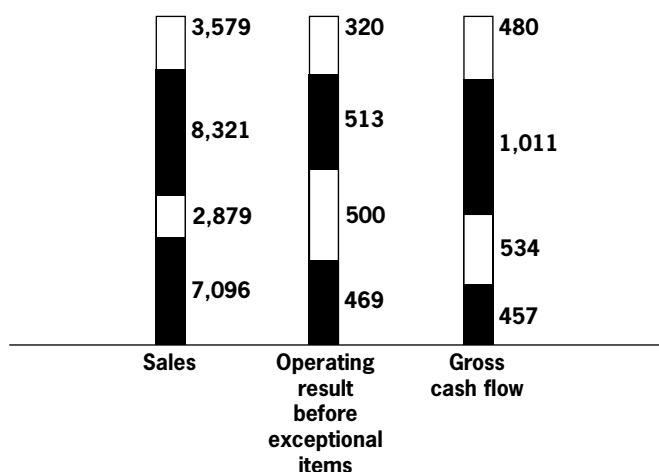
The company is in a phase of comprehensive restructuring in terms both of corporate organization and of business processes and the related cost situation. On top of the €322 million already spent in the first nine months – including €103 million in the third quarter – for business process reengineering, we spent €231 million – including €79 million in the third quarter – for structural enhancements such as site consolidation and improvements in operating efficiency. We expect these cost-saving measures to be contributing €500 million a year to earnings by 2002, and €1.8 billion a year by 2005.

Business trend by segment

Our four business segments – Health Care, Agriculture, Polymers and Chemicals – had combined external sales of €21.9 billion in the first three quarters of 2001, achieving an operating result of €1.8 billion before exceptionals and a gross cash flow of €2.5 billion. Polymers was the largest contributor to sales, earnings and cash flow, while Agriculture posted the highest return on sales.

Performance by Business Segment
(before reconciliation, € million)

- Chemicals
- Polymers
- Agriculture
- Health Care



Interim Report for the First Three Quarters

Health Care

€ million	3rd Quarter		First Three Quarters		Full Year
	2001	2000	2001	2000	2000
Sales	2,167	2,518	7,096	7,265	10,028
Operating result before exceptional items	24	334	469	1,060	1,476
Return on sales before exceptional items	1.1 %	13.3 %	6.6 %	14.6 %	14.7 %
Gross cash flow	(20)	351	457	1,045	1,419

Business in the **Health Care** segment declined by 14 percent in the third quarter to €2.2 billion, and by 2 percent in the first nine months to €7.1 billion. **Pharmaceuticals** recorded a 25 percent drop in sales in the third quarter and a 7 percent decline in the first three quarters, mainly due to the withdrawal of Lipobay®/Baycol® and the production shortfalls for Kogenate®. More intensive marketing of Ciprobay®/Cipro® brought further significant sales growth for this anti-infective drug. In addition, it has been in particularly high demand in recent weeks on account of its indication for the treatment of anthrax; this will be reflected mainly in fourth-quarter sales. **Consumer Care** revenues advanced by 2 percent in the third quarter and by 6 percent in the first three quarters. Growth was driven by markedly higher sales in North America, where the cold remedies Alka-Seltzer Plus® and Aleve Cold® posted large increases. **Diagnostics** achieved 5 percent higher sales in the third quarter and a 4 percent rise over the whole nine-month period, with nucleic acid diagnostics contributing significantly to growth.

The Health Care segment's operating profit fell in the third quarter to €24 million and in the first three quarters to €469 million, including the effects of the Lipobay®/Baycol® product withdrawal and the production problems for biologicals, which together diminished earnings from January through September by €0.5 billion and third-quarter income alone by €0.3 billion. Before these adverse effects, the operating result for the first nine months was down 11 percent while that for the third quarter almost matched the same period last year.

Pharmaceuticals has filed for approval of the new drug vardenafil in the United States and Mexico for the treatment of erectile dysfunction. Market introduction is expected in those countries in the second half of 2002 and in Europe shortly thereafter. The highly successful research alliance with Millennium Pharmaceuticals of Cambridge, Massachusetts, is being expanded to include the identification of innovative drugs to treat thrombosis, urinary incontinence and benign prostatic hypertrophy.

The Health Care segment will be transferred to a legally independent corporate unit by the end of 2002 to provide greater flexibility for necessary strategic partnerships.

Agriculture

€ million	3rd Quarter		First Three Quarters		Full Year
	2001	2000	2001	2000	2000
Sales	787	722	2,879	2,815	3,455
Operating result before exceptional items	47	86	500	573	558
Return on sales before exceptional items	6.0 %	11.9 %	17.4 %	20.4 %	16.2 %
Gross cash flow	116	149	534	519	557

As a result of product acquisitions, sales in the **Agriculture** segment advanced by 9 percent in the third quarter to €0.8 billion and by 2 percent in the first nine months to €2.9 billion. The world market for agricultural products remains characterized by low prices and fierce competition. **Crop Protection** boosted revenues in the third quarter by 14 percent, mainly due to higher sales of herbicides in the United States, insecticides in India and Brazil, and fungicides in Argentina. The 5 percent growth in business in the nine-month period was due largely to the acquisitions of the FLINT® product line and the corn herbicide MIKADO®.

Animal Health sales rose by 1 percent in the third quarter, while in the first three quarters as a whole business was down 4 percent to €0.7 billion. The divestiture of the U.S. livestock vaccines business had a negative effect of 1 and 4 percentage points, respectively. The parasiticide Advantage® again showed encouraging growth in the United States and Japan.

The operating result of the Agriculture segment fell to €47 million in the third quarter and to €500 million for the first three quarters, mainly due to the amortization of intangible assets acquired with FLINT® and MIKADO®. The gross cash flow amounted to €0.1 billion in the third quarter and showed a slight year-on-year increase in the first nine months, at €0.5 billion.

We have reached agreement to acquire Aventis CropScience (ACS), thereby greatly enlarging our crop protection business. The acquisition price of €7.25 billion includes the assumption of debt. The legal transfer of ownership is planned for the first quarter of 2002, subject to the approval of the antitrust authorities. ACS and the activities of the current Crop Protection Business Group will then be combined in a separate subsidiary company named Bayer CropScience and headquartered in Monheim, Germany.

Polymers

€ million	3rd Quarter		First Three Quarters		Full Year
	2001	2000	2001	2000	2000
Sales	2,650	2,808	8,321	8,026	10,893
Operating result before exceptional items	81	253	513	850	1,077
Return on sales before exceptional items	3.1 %	9.0 %	6.2 %	10.6 %	9.9 %
Gross cash flow	234	372	1,011	1,162	1,596

Our **Polymers** segment has been particularly hard hit by the weakness of the global economy, with all major customer industries cutting back production and reducing inventories. Business was down 6 percent in the third quarter to €2.7 billion, while revenues for the first nine months were up 4 percent to €8.3 billion. Portfolio changes had positive effects of 2 and 5 percent, respectively. **Plastics** sales decreased by 10 percent in the third quarter, mainly because of sharply lower volumes and mounting pressure on prices in Europe and North America. Sales of this business group in the first nine months were up by 2 percent, with growth driven by the expansion of the polycarbonate sheet business. Sales of the **Rubber** Business Group in the third quarter receded 7 percent, but in the nine-month period nearly matched the previous year. The business trend in North America and Asia was especially disappointing. The same was true for **Polyurethanes**, where sales were down by 4 percent in the third quarter. The 7 percent increase for the first three quarters stemmed mainly from the acquisition of the polyols business of Lyondell Chemical Company. Thanks to recent acquisitions, **Coatings and Colorants** posted 3 percent higher revenues in the third quarter and a 6 percent improvement for the nine months to September. Sales in North America were below expectations, and the same applied in Europe in the third quarter.

The simultaneous decline in volumes and selling prices diminished third-quarter and first-three-quarters operating profit in the Polymers segment to €81 million and €513 million, respectively, while the gross cash flow dipped to €0.2 billion and €1.0 billion, respectively.

The Plastics Business Group has set up a joint venture with Shanghai Chlor Alkali Chemicals Co. Ltd. to build a new production facility at Caojing, China. Future output at this location will include Makrolon® polycarbonate (PC), its precursor bisphenol A, and Bayblend® PC/acrylonitrile-butadiene-styrene (ABS) blend, all destined for the Asian market. Capital expenditures at the site will total €500 million.

Chemicals

€ million	3rd Quarter		First Three Quarters		Full Year
	2001	2000	2001	2000	2000
Sales	1,083	1,056	3,579	3,160	4,275
Operating result before exceptional items	27	104	320	352	442
Return on sales before exceptional items	2.5 %	9.8 %	8.9 %	11.1 %	10.3 %
Gross cash flow	195	139	480	440	600

Sales in the **Chemicals** segment rose by 3 percent in the third quarter to €1.1 billion, and by 13 percent in the nine-month period to €3.6 billion, with portfolio changes accounting for 6 and 9 percentage points, respectively. Business in **Basic and Fine Chemicals** declined by 2 percent in the third quarter, but increased by the same percentage in the first nine months. Divestitures had a 5- and a 4-point negative effect, respectively. Higher sales in Germany only partly offset the slump in business in North America and Japan. The **Specialty Products** Business Group saw sales grow by 10 percent in the third quarter and by 18 percent in the first three quarters due to acquisitions. As in the first half of the year, the business units with the strongest growth were Textile Processing Chemicals and Special Fields, and Ion Exchange Resins and Water Chemicals. **Wolff Walsrode** lifted sales in the first nine months by 8 percent to €0.3 billion, helped especially by continuing high growth rates for methylcellulose in the United States, Latin America and eastern Europe. Sales of **Haarmann & Reimer** dipped by 1 percent in the third quarter but rose by 2 percent in the nine-month period. The business group registered above-average growth in North and South America. Its strong focus on key accounts began to bear fruit, especially in the Flavors Business Unit. **H.C. Starck** was impacted in the third quarter by substantial consolidation in the electronics industry but reported 6 percent higher revenues due to acquisitions. The significant sales gains in the first half helped to produce a 42 percent increase for the first nine months, with portfolio changes accounting for 24 percentage points.

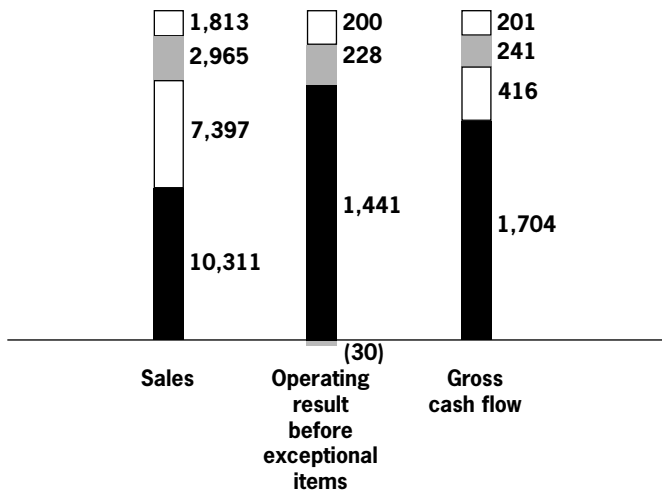
The operating result in the Chemicals segment dropped to €27 million in the third quarter and to €320 million in the first three quarters, marred by substantial write-downs of tantalum inventories. The gross cash flow improved to €195 million and €480 million, respectively.

Interim Report for the First Three Quarters

Performance by Region

(by point of origin, before reconciliation, € million)

- Latin America / Africa / Middle East
- Asia / Pacific
- North America
- Europe



gross cash flow also declined. The picture was similar in **Asia/Pacific**, though here the sales figure in euros was affected by exchange rates. In our **Latin America/Africa/Middle East** region, there was an encouraging increase in the operating result and the gross cash flow.

Liquidity and capital resources

The consolidated financial statements for the first three quarters of 2001 have been prepared as for the year 2000 according to the rules issued by the International Accounting Standards Board, London. Reference should be made as appropriate to the notes to the 2000 statements. The only change arises from the application of IAS 39 (Financial Instruments: Recognition and Measurement) to the accounting treatment of primary and derivative financial instruments; this is explained in the section on asset and capital structure.

The net operating cash flow declined in the first three quarters by 11 percent to €2.0 billion. In the third quarter it grew by 30 percent to €1.2 billion due to a €0.8 billion improvement in working capital performance compared with the third quarter of 2000. We anticipate a further improvement here in the fourth quarter.

In the first nine months, the net cash outflow for investing activities amounted to €1.2 billion, with net disbursements for property, plant and equipment totaling €1.5 billion and the cash inflow from investments amounting to €0.3 billion.

Financing activities led to a net cash outflow of just €10 million, with dividends and interest payments totaling €1.3 billion almost entirely offset by net borrowings in the same amount.

With net cash of €2.0 billion provided by operating activities and net cash of €1.2 billion used in investing and financing activities, cash and cash equivalents had increased as of September 30, 2001 by €0.8 billion to €1.3 billion.

Business trend by region

Sales of our companies in **Europe** declined in the third quarter by 7 percent to €3.0 billion, and advanced in the first nine months by 3 percent to €10.3 billion. The operating result and the gross cash flow declined in the third quarter and the first three quarters as a whole. The return on sales, however, remained above the Group average. In **North America**, too, sales for the first nine months moved higher due to acquisitions, but were down in the third quarter. The operating result and

Cash Flow Statements (Summary, € million)

	3rd Quarter		First Three Quarters	
	2001	2000	2001	2000
Gross operating cash flow	440	984	2,276	3,153
Changes in working capital	766	(56)	(239)	(873)
Net cash provided by operating activities	1,206	928	2,037	2,280
<i>of which discontinuing operations</i>	4	68	13	129
Net cash used in investing activities	(558)	(441)	(1,224)	(3,818)
<i>of which discontinuing operations</i>	(1)	(6)	(15)	(80)
Net cash provided by (used in) financing activities	61	(401)	(10)	(341)
<i>of which discontinuing operations</i>	0	(15)	(41)	(26)
Change in cash and cash equivalents	709	86	803	(1,879)
Cash and cash equivalents at beginning of period	608	878	491	2,812
Exchange rate movements and changes in companies consolidated	10	(24)	33	7
Cash and cash equivalents at end of third quarter	1,327	940	1,327	940

Earnings performance

The operating result – including discontinuing operations – for the first three quarters of 2001 fell by 50 percent to €1.4 billion. This includes the €0.3 billion gain from the sale of the interest in EC Erdölchemie. The operating result from continuing operations before exceptionals dropped by 41 percent to €1.6 billion.

The non-operating result decreased by €0.2 billion to minus €0.4 billion, mainly because the previous year's figure included

€0.2 billion in gains from the sale of investments in affiliated companies. Income tax expense declined by €0.8 billion compared with the same period last year, to €0.1 billion, bringing the effective tax rate down 26 points to 12 percent. Disregarding extraordinary factors, the largest of which was the tax-free income from the sale of the interest in EC Erdölchemie, the tax rate was 37 percent. Net income declined by 47 percent to €0.8 billion.

Earnings (€ million)

	3rd Quarter		First Three Quarters		Full Year 2000
	2001	2000	2001	2000	
Operating result	(316)	724	1,355	2,718	3,287
<i>of which discontinuing operations</i>	(9)	38	306	111	155
Non-operating result	(187)	48	(417)	(170)	(297)
Income before income taxes	(503)	772	938	2,548	2,990
Net income	(183)	534	823	1,567	1,816

Interim Report for the First Three Quarters

Balance Sheet Structure (€ million)			
	Sept. 30, 2001	Sept. 30, 2000	Dec. 31, 2000
Noncurrent assets	20,794	19,176	20,344
Current assets	16,542	16,227	16,107
Stockholders' equity	16,305	16,261	16,140
Minority stockholders' interest	102	210	237
Liabilities	20,929	18,932	20,074
Total assets	37,336	35,403	36,451

Asset and capital structure

Total assets increased during the first nine months by €0.9 billion, or 2 percent, to €37.3 billion.

Noncurrent assets grew by €0.5 billion. The major part of the increase related to investments and resulted from the revaluation of financial instruments according to IAS 39. These were carried at cost until December 31, 2000 and at fair value thereafter, leading to a €0.3 billion write-up as of September 30, 2001, which is not recognized in income. Other increases in investments, totaling €0.2 billion, resulted from the DyStar group's switch to at-equity status and the purchase of an equity interest in CuraGen Corporation. Current assets (including deferred taxes) grew by 3 percent compared with the end of 2000. While liquid assets increased by €0.7 billion, the total of inventories and receivables declined by €0.4 billion.

Stockholders' equity rose by €0.2 billion to €16.3 billion. Income after taxes, translation differences and the valuation of financial instruments according to IAS 39 added a total of €1.2 billion, while the dividend payment for 2000 diminished equity by €1.0 billion.

Liabilities (excluding provisions) grew by €1.0 billion, or 9 percent, the major factor here being a €1.3 billion increase in financial obligations that was mainly due to the utilization of the commercial paper program. Trade accounts payable declined by €0.4 billion. The net debt of €6.6 billion on September 30, 2001 was €0.6 billion greater than at the end of 2000 but €1.0 billion lower than at the beginning of the third quarter.

Capital expenditures

In the first nine months we spent €1.8 billion for intangible assets, property, plant and equipment, in line with our stated intention to reduce capital expenditures to the level of depreciation. Europe accounted for €1.1 billion, of which 83 percent was spent at our German sites. Capital spending in the Asia/Pacific region was up 77 percent to €0.2 billion, while in North America it was reduced by 38 percent to €0.4 billion.

We had budgeted for total capital expenditures of €3.1 billion in 2001, but the actual figure is now likely to be considerably lower.

Employees

On September 30, 2001 the Bayer Group had 117,100 employees in its continuing operations, which was 900 fewer than at the start of the year. Headcount was reduced by 1,100 in Europe, 200 in the Latin America/Africa/Middle East region and 400 in Asia/Pacific. The number of employees in North America was unchanged. Compared with the first three quarters of 2000, personnel expenses increased by €363 million, of which €67 million resulted from currency translations.

Outlook

Sales and earnings in the Health Care segment will continue to be hampered by the worldwide withdrawal of Lipobay®/Baycol® and the production problems for Kogenate®, which together are expected to impact the operating result for the full year 2001 to the tune of €1.4 billion.

Agriculture will top the previous year's sales, thanks mainly to the new product lines FLINT® and MIKADO®. The acquisition of Aventis CropScience will give us a leading position in all major areas of the crop protection business in the future.

The markets served by our Polymers and Chemicals segments are unlikely to see a cyclical recovery in the fourth quarter. While our polymers activities have a strong competitive stance, we will restructure our chemicals businesses to focus more strongly on specialties.

With the efficiency improvement programs we have initiated already bearing fruit, we expect to report an operating profit in the fourth quarter despite the global economic slowdown and the negative factors in the Health Care segment.

Highlights

	3rd Quarter		First Three Quarters	
	2001	2000	2001	2000
Sales (€ million)	6,931	7,680	22,903	22,918
<i>of which discontinuing operations</i>	63	378	417	1,117
Sales from continuing operations	6,868	7,302	22,486	21,801
Change	- 5.9%	22.5%	3.1%	22.1%
Domestic companies	1,905	2,109	6,475	6,316
Change	- 9.7%	16.0%	2.5%	11.8%
Foreign companies	4,963	5,193	16,011	15,485
Change	- 4.4%	25.4%	3.4%	26.8%
Operating result (€ million)	(316)	724	1,355	2,718
<i>of which discontinuing operations</i>	(9)	38	306	111
Operating result from continuing operations	(307)	686	1,049	2,607
Change	•	23.4%	- 59.8%	27.4%
Operating result from continuing operations before exceptional items	66	711	1,557	2,654
Change	- 90.7%	11.1%	- 41.3%	21.8%
Return on sales before exceptional items	1.0%	9.7%	6.9%	12.2%
Net income (€ million)	(183)	534	823	1,567
Change	•	23.9%	- 47.5%	- 27.1%
Gross cash flow (€ million)	440	984	2,276	3,153
Change	- 55.3%	26.0%	- 27.8%	28.4%
Capital expenditures (€ million)*	611	605	1,753	1,855
Domestic companies	335	237	887	753
Foreign companies	276	368	866	1,102
Number of employees*				
as of September 30			117,100	116,500
Personnel expenses (€ million)	1,961	1,906	5,858	5,503
Change	2.9%	7.1%	6.5%	8.3%

* continuing operations

Bayer Group Statements for the First Three Quarters (Summary)

Consolidated Statements of Income (€ million)	3rd Quarter		First Three Quarters	
	2001	2000	2001	2000
Net sales	6,931	7,680	22,903	22,918
<i>Net sales from discontinuing operations</i>	(63)	(378)	(417)	(1,117)
Net sales from continuing operations	6,868	7,302	22,486	21,801
Cost of goods sold	(4,240)	(3,913)	(12,704)	(11,466)
Gross profit	2,628	3,389	9,782	10,335
Selling expenses	(1,810)	(1,716)	(5,393)	(4,840)
Research and development expenses	(637)	(600)	(1,847)	(1,705)
General administration expenses	(298)	(156)	(852)	(688)
Other operating expenses - net	(190)	(231)	(641)	(495)
Operating result from continuing operations	(307)	686	1,049	2,607
<i>Operating result from discontinuing operations</i>	(9)	38	306	111
Operating result	(316)	724	1,355	2,718
Non-operating result	(187)	48	(417)	(170)
Income before income taxes	(503)	772	938	2,548
Income taxes	(321)	231	116	963
Income after taxes	(182)	541	822	1,585
Minority stockholders' interest	(1)	(7)	1	(18)
Net income	(183)	534	823	1,567
Earnings per share (€)	(0.25)	0.73	1.13	2.15

Consolidated Balance Sheets (€ million)	Sept. 30, 2001	Sept. 30, 2000	Dec. 31, 2000
Assets			
Noncurrent assets	20,794	19,176	20,344
Inventories	6,098	5,957	6,095
Receivables	8,573	8,662	8,895
Liquid assets	1,371	1,178	704
Current assets	16,042	15,797	15,694
Deferred taxes	500	430	413
	37,336	35,403	36,451
<i>of which discontinuing operations</i>	229	1,114	1,156
Stockholders' Equity and Liabilities			
Capital stock and reserves	4,812	4,812	4,812
Retained earnings	10,138	9,019	9,047
Net income	823	1,567	1,816
Translation differences	532	863	465
Stockholders' equity	16,305	16,261	16,140
Minority stockholders' interest	102	210	237
Long-term liabilities	8,602	9,043	8,461
Short-term liabilities	11,060	8,568	10,018
Liabilities	19,662	17,611	18,479
<i>of which discontinuing operations</i>	66	526	574
Deferred taxes	1,267	1,321	1,595
	37,336	35,403	36,451

The statements for the first three quarters are unaudited.

Changes in Stockholders' Equity (Summary, € million)

	Capital stock and reserves	Retained earnings	Net income	Translation differences	Total
December 31, 1999	4,812	7,965	2,002	227	15,006
Dividend payment			(949)		(949)
Allocation to retained earnings		1,053	(1,053)		0
Exchange differences				637	637
Income after taxes			1,567		1,567
September 30, 2000	4,812	9,018	1,567	864	16,261
December 31, 2000	4,812	9,047	1,816	465	16,140
Dividend payment			(1,022)		(1,022)
Allocation to retained earnings		794	(794)		0
Exchange differences				68	68
Other changes in stockholders' equity		296			296
Income after taxes			823		823
September 30, 2001	4,812	10,137	823	533	16,305

Sales and Operating Result by Business Segment and Region – Part I (€ million)

Business Segments	Health Care			Agriculture			Polymers			Chemicals						
	3rd Quarter 2001	2000	2001	3rd Quarter 2001	2000	2001	3rd Quarter 2001	2000	2001	3rd Quarter 2001	2000	2001	3rd Quarter 2001	2000	2001	
Net sales (external)	2,167	2,518	7,096	722	2,879	2,815	2,650	2,808	8,321	8,026	1,083	1,056	3,579	3,160		
Change in €	-13.9%	20.4%	-2.3%	9.0%	2.4%	15.0%	-5.6%	31.7%	3.7%	28.6%	2.6%	18.7%	13.3%	17.9%		
Change in local currencies	-12.9%	8.4%	-3.3%	10.2%	-8.7%	5.4%	-5.5%	23.9%	2.3%	22.1%	3.6%	11.8%	12.7%	11.6%		
Intersegment sales	9	5	33	12	15	55	24	30	82	96	103	115	348	354		
Operating result before exceptional items	24	334	469	47	86	573	81	253	513	850	27	104	320	352		
Change	-92.8%	3.1%	-55.8%	-45.3%	-5.5%	13.0%	-68.0%	0.0%	-39.6%	-0.4%	-74.0%	25.3%	-9.1%	3.2%		
Return on sales before exceptional items	1.1%	13.3%	6.6%	6.0%	11.9%	20.4%	3.1%	9.0%	6.2%	10.6%	2.5%	9.8%	8.9%	11.1%		
Exceptional items	(308)	(10)	(311)	0	31	25	(63)	(41)	(103)	(64)	(2)	(5)	(75)	(6)		
Operating result	(284)	324	158	47	117	598	18	212	410	786	25	99	245	346		
Gross cash flow	(20)	351	457	116	149	519	234	372	1,011	1,162	195	139	480	440		
Regions	Europe						North America			Asia/Pacific			Latin America/ Africa/ Middle East			
	3rd Quarter 2001		2000		2001		3rd Quarter 2001		2000		2001		3rd Quarter 2001		2000	
Net sales (external) – by market	2,666	2,777	9,212	8,693	2,397	7,141	1,128	1,225	3,637	3,602	812	903	2,496	2,452		
Change	-4.0%	13.0%	6.0%	11.1%	-5.6%	27.3%	-7.9%	33.3%	1.0%	39.1%	-10.1%	29.0%	1.8%	22.2%		
Net sales (external) – by point of origin	3,002	3,237	10,311	10,003	2,324	7,397	916	2,965	2,835	626	630	1,813	1,719			
Change in €	-7.3%	14.6%	3.1%	11.6%	-5.5%	25.7%	-6.1%	41.7%	4.6%	47.0%	-0.6%	28.8%	5.5%	20.4%		
Change in local currencies	-7.4%	14.0%	3.0%	11.0%	-6.5%	7.7%	1.1%	24.9%	9.8%	28.5%	-2.3%	13.6%	2.8%	7.5%		
Interregional sales	762	824	2,513	2,345	446	1,426	54	63	195	168	28	34	100	83		
Operating result before exceptional items	104	465	1,441	1,851	(2)	(30)	12	112	228	332	75	66	200	179		
Change	-77.6%	-5.7%	-22.2%	0.9%	-101.3%	•	-89.3%	•	-31.3%	159.4%	13.6%	112.9%	11.7%	58.4%		
Return on sales before exceptional items	3.5%	14.4%	14.0%	18.5%	-0.1%	-0.4%	1.3%	11.5%	7.7%	11.7%	12.0%	10.5%	11.0%	10.4%		
Exceptional items	(200)	(12)	(226)	14	(166)	(53)	(4)	(7)	(4)	(8)	(3)	(1)	(3)	0		
Operating result	(96)	453	1,215	1,865	153	(286)	8	105	224	324	72	65	197	179		
Gross cash flow	325	483	1,704	1,789	130	416	35	103	241	303	73	63	201	186		

Sales and Operating Result by Business Segment and Region – Part II (€ million)

Business Segments	Reconciliation			Continuing Operations			Discontinuing Operations			Bayer Group						
	3rd Quarter 2001	2000	First Three Quarters 2001	2000	3rd Quarter 2001	2000	First Three Quarters 2001	2000	3rd Quarter 2001	2000	First Three Quarters 2001	2000				
Net sales (external)	181	198	611	535	6,868	7,302	22,486	21,801	63	378	417	1,117	6,931	7,680	22,903	22,918
Change in €					-5.9%	22.5%	3.1%	22.1%					-9.8%	22.4%	-0.1%	11.8%
Change in local currencies					-5.2%	13.3%	2.1%	12.9%					-9.2%	13.6%	-1.1%	3.9%
Intersegment sales	(148)	(165)	(537)	(517)												
Operating result before exceptional items	(113)	(66)	(245)	(181)	66	711	1,557	2,654	(7)	39	7	117	59	750	1,564	2,771
Change					-90.7%	11.1%	-41.3%	21.8%					-92.1%	5.5%	-43.6%	-16.4%
Return on sales before exceptional items					1.0%	9.7%	6.9%	12.2%					0.9%	9.8%	6.8%	12.1%
Exceptional items	0	0	(19)	34	(373)	(25)	(508)	(47)	(2)	(1)	299	(6)	(375)	(26)	(209)	(53)
Operating result	(113)	(66)	(264)	(147)	(307)	686	1,049	2,607	(9)	38	306	111	(316)	724	1,355	2,718
Gross cash flow	(84)	(82)	(221)	(164)	441	929	2,261	3,002	(1)	55	15	151	440	984	2,276	3,153
Regions	Reconciliation			Continuing Operations			Discontinuing Operations			Bayer Group						
	3rd Quarter 2001	2000	First Three Quarters 2001	2000	3rd Quarter 2001	2000	First Three Quarters 2001	2000	3rd Quarter 2001	2000	First Three Quarters 2001	2000	3rd Quarter 2001	2000	First Three Quarters 2001	2000
Net sales (external) – by market					6,868	7,302	22,486	21,801	63	378	417	1,117	6,931	7,680	22,903	22,918
Change					-5.9%	22.5%	3.1%	22.1%					-9.8%	22.4%	-0.1%	11.8%
Net sales (external) – by point of origin					6,868	7,302	22,486	21,801	63	378	417	1,117	6,931	7,680	22,903	22,918
Change in €					-5.9%	22.5%	3.1%	22.1%					-9.8%	22.4%	-0.1%	11.8%
Change in local currencies					-5.2%	13.3%	2.1%	12.9%					-9.2%	13.6%	-1.1%	3.9%
Interregional sales	(1,302)	(1,367)	(4,234)	(3,797)												
Operating result before exceptional items	(123)	(90)	(282)	(241)	66	711	1,557	2,654	(7)	39	7	117	59	750	1,564	2,771
Change					-90.7%	11.1%	-41.3%	21.8%					-92.1%	5.5%	-43.6%	-16.4%
Return on sales before exceptional items					1.0%	9.7%	6.9%	12.2%					0.9%	9.8%	6.8%	12.1%
Exceptional items	0	0	(19)	0	(373)	(25)	(508)	(47)	(2)	(1)	299	(6)	(375)	(26)	(209)	(53)
Operating result	(123)	(90)	(301)	(241)	(307)	686	1,049	2,607	(9)	38	306	111	(316)	724	1,355	2,718
Gross cash flow	(122)	(105)	(301)	(280)	441	929	2,261	3,002	(1)	55	15	151	440	984	2,276	3,153