

For Immediate Release

**Bayer Yakuhin, Ltd. and Shionogi & Co., Ltd. Form Alliance to
Distribute Moxifloxacin in Japan**

Leverkusen and Osaka, October 17, 2003 – Bayer Yakuhin, Ltd., a Japanese affiliate of Bayer HealthCare AG and Shionogi & Co., Ltd., a leading Japanese pharmaceutical company, today announced an agreement that provides Shionogi & Co., Ltd. with exclusive Japanese distribution rights for moxifloxacin, the antibacterial sold in 85 countries including the United States, Canada and Europe.

Moxifloxacin has demonstrated excellent antibacterial effect on all major bacterial causes of respiratory tract infection. The agent was first approved in 1999 in both Europe and the United States. To date, there have been more than 25 million moxifloxacin patient uses for its various indications.

Bayer Yakuhin filed a new drug application for moxifloxacin in Japan in September 2002 for treatment of respiratory tract infection, including upper respiratory tract infection, secondary infection of chronic respiratory tract disease and community-acquired pneumonia. According to the terms of the agreement, Bayer Yakuhin will continue to hold the drug's Japanese registration and, upon approval, Shionogi & Co., Ltd. will handle distribution.

“We are working closely with regulatory authorities on fulfilling the necessary requirements to make moxifloxacin available in Japan,” said Norikazu Eiki, president of Bayer Yakuhin. “Shionogi & Co., Ltd. will make an excellent partner, given the organization's outstanding track record and rich experience in the field of anti-infective medicines.”

“Through our agreement to distribute moxifloxacin, we immediately enhance our anti-infective product portfolio,” said Motozo Shiono, president of Shionogi & Co., Ltd. “We anticipate swift acceptance of moxifloxacin in the Japanese market.

About Bayer HealthCare

Bayer HealthCare, a subgroup of Bayer, is one of the world's leading, innovative companies in the health care and medical products industry. Bayer HealthCare combines the global activities of the Animal Health, Biological Products, Consumer Care, Diagnostics and Pharmaceuticals divisions. More than 34,000 employees work for Bayer HealthCare worldwide. Our work at Bayer HealthCare is to discover and manufacture innovative products for the purpose of improving human and animal health worldwide. Our products enhance well-being and quality of life by diagnosing, preventing and treating disease.

About Bayer Yakuhin, Ltd.

Bayer Yakuhin, Ltd. is part of the worldwide operations of Bayer HealthCare, and develops businesses in the areas of Pharmaceuticals, Biological Products and Consumer Care. Bayer Yakuhin challenges to build a customer focused health care company that significantly contributes to human health by encouraging innovation and creativity.

About Shionogi & Co., Ltd.

Shionogi & Co., Ltd. is a major research-driven Japanese pharmaceutical manufacturer. The company's primary businesses are research and development, manufacturing, marketing, and import and export sales of pharmaceuticals and diagnostics. Shionogi follows a basic policy of continually providing the superior medicines essential to people's health. For more details, please visit www.shionogi.co.jp

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.

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