

Bayer Group Consolidated Statements of Income

Bayer
Stockholders'
Newsletter 2007

**Consolidated
Financial Statements
as of June 30, 2007**

	2nd Quarter 2006	2nd Quarter 2007	1st Half 2006	1st Half 2007
€ million				
Net sales	6,736	8,217	13,527	16,552
Cost of goods sold	(3,571)	(4,072)	(7,009)	(8,206)
Gross profit	3,165	4,145	6,518	8,346
Selling expenses	(1,442)	(1,919)	(2,807)	(3,726)
Research and development expenses	(439)	(650)	(853)	(1,275)
General administration expenses	(377)	(425)	(730)	(861)
Other operating income	167	228	375	371
Other operating expenses	(197)	(462)	(577)	(763)
Operating result (EBIT)	877	917	1,926	2,092
Equity-method loss	(3)	(13)	(11)	(27)
Non-operating income	151	190	294	432
Non-operating expenses	(376)	(434)	(721)	(880)
Non-operating result	(228)	(257)	(438)	(475)
Income before income taxes	649	660	1,488	1,617
Income taxes	(198)	(247)	(475)	(548)
Income from continuing operations after taxes	451	413	1,013	1,069
Income from discontinued operations after taxes	4	244	39	2,398
Income after taxes	455	657	1,052	3,467
of which attributable to minority interest	3	(3)	0	(2)
of which attributable to Bayer AG stockholders (net income)	452	660	1,052	3,469
Earnings per share (€)				
From continuing operations				
Basic*	0.59	0.53	1.36	1.36
Diluted*	0.59	0.53	1.36	1.36
From continuing and discontinued operations				
Basic*	0.60	0.83	1.41	4.27
Diluted*	0.60	0.83	1.41	4.27

2006 figures restated

* The ordinary shares to be issued upon conversion of the mandatory convertible bond are treated as already issued shares.

Bayer Group Consolidated Balance Sheets

	June 30, 2006	June 30, 2007	Dec. 31, 2006
€ million			
Noncurrent assets			
Goodwill	7,753	8,439	8,227
Other intangible assets	15,922	15,112	15,807
Property, plant and equipment	9,208	8,662	8,867
Investments in associates	760	501	532
Other financial assets	1,528	1,190	1,094
Other receivables	261	413	176
Deferred taxes	982	773	1,205
	36,414	35,090	35,908
Current assets			
Inventories	7,044	6,277	6,153
Trade accounts receivable	6,638	6,843	5,802
Other financial assets	445	252	401
Other receivables	1,530	1,637	1,567
Claims for income tax refunds	232	243	220
Cash and cash equivalents	2,491	2,980	2,915
Assets held for sale and discontinued operations	1,396	82	2,925
	19,776	18,314	19,983
Total assets	56,190	53,404	55,891
Stockholders' equity			
Capital stock of Bayer AG	1,870	1,957	1,957
Capital reserves of Bayer AG	2,942	4,028	4,028
Other reserves	6,865	10,183	6,782
	11,677	16,168	12,767
Equity attributable to minority interest	1,150	81	84
	12,827	16,249	12,851
Noncurrent liabilities			
Provisions for pensions and other post-employment benefits	6,237	5,550	6,543
Other provisions	1,771	1,671	1,464
Financial liabilities	10,373	13,644	14,723
Other liabilities	517	504	449
Deferred taxes	4,240	4,347	4,346
	23,138	25,716	27,525
Current liabilities			
Other provisions	3,803	4,087	3,765
Financial liabilities	12,053	2,309	5,078
Trade accounts payable	1,995	2,244	2,369
Income tax liabilities	116	127	109
Other liabilities	1,822	2,672	3,346
Liabilities directly related to assets held for sale and discontinued operations	436	-	848
	20,225	11,439	15,515
Total stockholders' equity and liabilities	56,190	53,404	55,891

2006 figures reclassified

Bayer Group Consolidated Statements of Cash Flows

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	2nd Quarter 2006	2nd Quarter 2007	1st Half 2006	1st Half 2007
€ million				
Income from continuing operations after taxes	451	413	1,013	1,069
Income taxes	198	247	475	548
Non-operating result	228	257	438	475
Income taxes paid	(284)	(342)	(500)	(685)
Depreciation and amortization	392	655	779	1,254
Change in pension provisions	(50)	(86)	(180)	(182)
(Gains) losses on retirements of noncurrent assets	(7)	(6)	(8)	6
Non-cash effects of the remeasurement of acquired assets (inventory work-down)	-	49	-	113
Gross cash flow	928	1,187	2,017	2,598
Decrease (increase) in inventories	11	38	(103)	(175)
Decrease (increase) in trade accounts receivable	25	(52)	(864)	(1,063)
(Decrease) increase in trade accounts payable	(40)	16	(271)	(98)
Changes in other working capital, other non-cash items	(42)	(373)	141	(71)
Net cash provided by (used in) operating activities (net cash flow), continuing operations	882	816	920	1,191
Net cash provided by (used in) operating activities (net cash flow), discontinued operations	120	(36)	210	2
Net cash provided by (used in) operating activities (net cash flow) (total)	1,002	780	1,130	1,193
Cash outflows for property, plant, equipment and intangible assets	(340)	(440)	(759)	(641)
Cash inflows from sales of property, plant, equipment and other assets	24	13	44	31
Cash inflows from divestitures less divested cash	39	230	39	4,903
Cash outflows for acquisitions less acquired cash	(14,110)	(235)	(14,130)	(257)
Cash inflows from noncurrent financial assets	43	3	69	8
Interest and dividends received	375	376	482	469
Cash inflows/outflows from current financial assets	133	0	227	23
Net cash provided by (used in) investing activities (total)	(13,836)	(53)	(14,028)	4,536
Bayer AG dividend, dividend payments to minority stockholders, reimbursements of advance capital gains tax payments	(692)	(766)	(527)	(775)
Issuances of debt	13,493	1,159	13,762	1,603
Retirements of debt	(20)	(3,542)	(413)	(5,496)
Interest paid	(461)	(740)	(689)	(985)
Net cash provided by (used in) financing activities (total)	12,320	(3,889)	12,133	(5,653)
Change in cash and cash equivalents due to business activities (total)	(514)	(3,162)	(765)	76
Cash and cash equivalents at beginning of period	3,026	6,143	3,290	2,915
Change in cash and cash equivalents due to changes in scope of consolidation	0	(3)	(2)	(4)
Change in cash and cash equivalents due to exchange rate movements	(21)	2	(32)	(7)
Cash and cash equivalents at end of period	2,491	2,980	2,491	2,980

2006 figures restated

Bayer Group Consolidated Statements of Recognized Income and Expense

	2nd Quarter 2006	2nd Quarter 2007	1st Half 2006	1st Half 2007
€ million				
Changes in fair values of derivatives designated as hedges and available-for-sale financial assets, recognized in stockholders' equity	(21)	(3)	(12)	(2)
Changes in actuarial gains/losses on defined benefit obligations for pensions and other post-employment benefits, recognized in stockholders' equity	382	774	1,187	1,105
Exchange differences on translation of operations outside the euro zone, recognized in stockholders' equity	(331)	(36)	(475)	7
Deferred taxes on valuation adjustments offset directly against stockholders' equity	(146)	(297)	(461)	(431)
Changes due to changes in scope of consolidation	-	5	-	36
Valuation adjustments recognized directly in stockholders' equity	(116)	443	239	715
Minority interests in partnerships, recognized in stockholders' equity	-	(12)	-	(19)
Income after taxes	455	657	1,052	3,467
Total income and expense recognized in the financial statements	339	1,088	1,291	4,163
of which attributable to minority interest	2	(4)	(3)	(2)
of which attributable to Bayer AG stockholders	337	1,092	1,294	4,165

2006 figures restated

Notes to the Consolidated Interim Financial Statements of
the Bayer Group as of June 30, 2007

Key Data by Segment

Segment	HealthCare			
	Pharmaceuticals		Consumer Health	
	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007
€ million				
Net sales (external)	1,188	2,583	1,069	1,134
Change	+ 20.2%	+117.4%	+ 5.3%	+ 6.1%
Currency-adjusted change	+ 20.5%	+120.6%	+ 4.6%	+ 9.7%
Intersegment sales	12	10	1	1
Operating result (EBIT)	159	207	196	224
Depreciation, amortization and write-downs/write-backs	64	323	35	34
Gross cash flow*	157	381	179	164
Net cash flow*	284	202	83	82

2006 figures restated

* for definition see Bayer Group Key Data on page 2

Segment	HealthCare			
	Pharmaceuticals		Consumer Health	
	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007
€ million				
Net sales (external)	2,336	5,078	2,124	2,249
Change	+ 20.4%	+117.4%	+ 13.0%	+ 5.9%
Currency-adjusted change	+ 17.9%	+121.4%	+ 9.8%	+ 10.6%
Intersegment sales	25	22	3	4
Operating result (EBIT)	361	488	373	428
Depreciation, amortization and write-downs/write-backs	103	588	76	67
Gross cash flow*	319	771	309	331
Net cash flow*	273	481	137	186
Number of employees at end of period*	40,500	39,200	10,900	11,100

2006 figures restated

* for definition see Bayer Group Key Data on page 2

CropScience				MaterialScience							
Crop Protection		Environmental Science, BioScience		Materials		Systems		Reconciliation		Continuing Operations	
2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007
1,269	1,262	309	300	723	757	1,824	1,866	354	315	6,736	8,217
-3.7%	-0.6%	+8.0%	-2.9%	-0.7%	+4.7%	+8.0%	+2.3%			+5.8%	+22.0%
-4.8%	+1.4%	+8.0%	-0.2%	-1.1%	+8.5%	+7.3%	+5.4%			+5.2%	+24.9%
17	16	1	2	7	4	43	37	(81)	(70)		
159	180	71	31	101	29	217	237	(26)	9	877	917
118	117	20	20	38	42	76	81	41	38	392	655
227	219	62	40	105	55	222	238	(24)	90	928	1,187
434	313	100	181	88	25	163	253	(270)	(240)	882	816

CropScience				MaterialScience							
Crop Protection		Environmental Science, BioScience		Materials		Systems		Reconciliation		Continuing Operations	
1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007
2,682	2,696	667	652	1,433	1,496	3,600	3,735	685	646	13,527	16,552
-1.9%	+0.5%	+8.8%	-2.2%	+5.2%	+4.4%	+8.8%	+3.8%			+8.5%	+22.4%
-5.3%	+3.5%	+5.5%	+1.9%	+2.5%	+8.7%	+6.1%	+7.5%			+5.7%	+26.1%
35	34	3	4	13	8	82	75	(161)	(147)		
444	484	194	135	233	67	396	484	(75)	6	1,926	2,092
239	238	42	39	76	84	154	163	89	75	779	1,254
512	501	164	127	231	124	413	473	69	271	2,017	2,598
145	200	39	56	123	0	401	315	(198)	(47)	920	1,191
15,400	14,800	2,800	3,000	4,900	5,000	9,800	10,200	21,400	21,300	105,700	104,600

Key Data by Region

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Region	Europe		North America	
	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007
€ million				
Net sales (external) – by market	+ 3,011	3,697	1,823	2,140
Change	+ 4.2%	+ 22.8%	+ 7.6%	+ 17.4%
Currency-adjusted change	+ 4.1%	+ 22.6%	+ 5.9%	+ 25.5%
Net sales (external) – by point of origin	3,260	3,970	1,826	2,160
Change	+ 5.3%	+ 21.8%	+ 7.5%	+ 18.3%
Currency-adjusted change	+ 5.2%	+ 21.7%	+ 5.9%	+ 26.5%
Interregional sales	895	1,271	428	530
Operating result (EBIT)	518	629	249	192

2006 figures restated

Region	Europe		North America	
	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007
€ million				
Net sales (external) – by market	6,029	7,545	3,759	4,366
Change	+ 5.5%	+ 25.1%	+ 14.0%	+ 16.1%
Currency-adjusted change	+ 5.3%	+ 25.0%	+ 7.8%	+ 25.4%
Net sales (external) – by point of origin	6,486	8,123	3,778	4,380
Change	+ 6.1%	+ 25.2%	+ 14.2%	+ 15.9%
Currency-adjusted change	+ 6.0%	+ 25.1%	+ 7.9%	+ 25.3%
Interregional sales	1,940	2,645	905	1,046
Operating result (EBIT)	1,181	1,353	511	549
Number of employees at end of period*	58,000	56,200	17,200	16,600

2006 figures restated

* Number of employees in full-time equivalents

	Asia/Pacific		Latin America/ Africa/Middle East		Reconciliation		Continuing Operations	
	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007
	1,061	1,308	841	1,072			6,736	8,217
	+ 3.9%	+ 23.3%	+ 10.1%	+ 27.5%			+ 5.8%	+ 22.0%
	+ 4.3%	+ 30.6%	+ 9.0%	+ 30.2%			+ 5.2%	+ 24.9%
	1,021	1,266	629	821			6,736	8,217
	+ 2.6 %	+ 24.0%	+ 8.6%	+ 30.5%			+ 5.8%	+ 22.0%
	+ 3.0 %	+ 31.6%	+ 7.4%	+ 33.8%			+ 5.2%	+ 24.9%
	43	62	39	59	(1,405)	(1,922)		
	90	67	61	75	(41)	(46)	877	917

	Asia/Pacific		Latin America/ Africa/Middle East		Reconciliation		Continuing Operations	
	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007
	2,067	2,508	1,672	2,133			13,527	16,552
	+ 5.7%	+ 21.3%	+ 11.6%	+ 27.6%			+ 8.5%	+ 22.4%
	+ 3.3%	+ 29.3%	+ 5.4%	+ 34.4%			+ 5.7%	+ 26.1%
	1,985	2,403	1,278	1,646			13,527	16,552
	+ 4.7 %	+ 21.1%	+ 11.3%	+ 28.8%			+ 8.5 %	+ 22.4%
	+ 2.2 %	+ 29.3%	+ 3.5%	+ 37.3%			+ 5.7 %	+ 26.1%
	102	115	81	116	(3,028)	(3,922)		
	213	140	105	138	(84)	(88)	+ 1,926	2,092
	16,800	18,000	13,700	13,800			105,700	104,600

Explanatory Notes

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Financial Statements
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Notes

Accounting policies

Pursuant to Section 315a of the German Commercial Code, the consolidated interim financial statements as of June 30, 2007 have been prepared according to the International Financial Reporting Standards (IFRS) – including IAS 34 – of the International Accounting Standards Board (IASB), London, which are endorsed by the European Union, and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), in effect at the closing date.

Reference should be made as appropriate to the notes to the consolidated financial statements for the 2006 fiscal year, particularly with regard to recognition and valuation principles.

Information on earnings per share

The ordinary shares to be issued upon conversion of the mandatory convertible bond are treated as already issued shares. Diluted earnings per share are therefore equal to basic earnings per share.

Calculation of Earnings per Share	2nd Quarter 2006	2nd Quarter 2007	1st Half 2006	1st Half 2007
€ million				
Income after taxes	455	657	1,052	3,467
Income attributable to minority interest	3	(3)	0	(2)
Income attributable to Bayer AG stockholders	452	660	1,052	3,469
Income from discontinued operations	4	244	39	2,398
Financing expenses for the mandatory convertible bond, net of tax effects	23	24	23	48
Adjusted income after taxes from continuing operations	471	440	1,036	1,119
Adjusted net income	475	684	1,075	3,517
Weighted average number of issued ordinary shares	730,341,920	764,341,920	730,341,920	764,341,920
Potential shares to be issued upon conversion of the mandatory convertible bond	63,254,424	59,565,835	31,801,948	59,544,939
Adjusted weighted average total number of issued and potential ordinary shares	793,596,344	823,907,755	762,143,868	823,886,859
Basic earnings per share (€)				
from continuing operations	0.59	0.53	1.36	1.36
from continuing and discontinued operations	0.60	0.83	1.41	4.27
Diluted earnings per share (€)				
from continuing operations	0.59	0.53	1.36	1.36
from continuing and discontinued operations	0.60	0.83	1.41	4.27

2006 figures restated

Changes in the Bayer Group

Scope of consolidation

As of June 30, 2007, the Bayer Group comprised 347 fully or proportionately consolidated companies, compared with 432 companies as of December 31, 2006. This decrease is primarily the result of companies leaving the group through the Diagnostics, H.C. Starck and Wolff Walsrode divestitures and of intragroup mergers of companies as part of the integration of Schering, Berlin, Germany.

Consolidation of Schering

In June 2006, the majority of the shares of Schering AG, Berlin, Germany, were acquired by Bayer Schering GmbH (then known as Dritte BV GmbH), a subsidiary of Bayer AG.

As of June 23, 2006, Schering AG was included in full in the consolidated financial statements of the Bayer Group. As of June 30, 2007, Bayer Schering GmbH held 96.3 percent of the shares of Bayer Schering Pharma AG.

The Extraordinary Stockholders' Meeting of Bayer Schering Pharma AG resolved on January 17, 2007, to effect a squeeze-out of the remaining minority stockholders. The decision means the shares still held by minority stockholders will be transferred to the main stockholder, Bayer Schering GmbH, in return for cash compensation of €98.98 per share. Recognition of the expected cash compensation and the guaranteed dividend for the minority stockholders as liabilities increases the purchase price by €736 million to €17,007 million.

The purchase price allocation has since been completed and is almost unchanged compared with December 31, 2006. The finalized allocation reflects a €33 million reduction in the value of research and development projects, reclassifications between other asset and liability items and a corresponding €65 million increase in goodwill.

Acquisitions

On May 31, 2007 an agreement was signed to acquire Stoneville Pedigreed Seed Company, a leading U.S. producer of cotton seeds, from Monsanto for US\$ 310 million (approximately €230 million). The acquired company was included in full in the consolidated financial statements of the Bayer Group effective June 1, 2007. The as yet incomplete allocation of the purchase price among the acquired assets and liabilities at the date of acquisition resulted in the addition of more than €200 million in intangible assets, including goodwill, in the second quarter. Adjustments to the purchase price allocation may be made in the future. The goodwill remaining after the purchase price allocation is largely attributable to synergies in the areas of technology and marketing. In addition, the acquisition strengthens the position of Bayer's BioScience business unit in the rapidly expanding U.S. cotton seed market.

Discontinued operations

In mid-2006 Bayer AG and Siemens AG signed an agreement concerning the sale of the Diagnostics business, which was transferred to the new owner on January 2, 2007.

On November 23, 2006 an agreement was concluded to divest the activities of the H.C. Starck group, formerly assigned to the Materials segment, to a consortium of two financial investors, Advent International and The Carlyle Group. This business was transferred to the new owners on February 1, 2007.

The agreement to sell the companies of the Wolff Walsrode group, which operates principally in the field of cellulose chemistry, to The Dow Chemical Company, United States, was signed in December 2006. Wolff Walsrode also was formerly assigned to the Materials segment. Following approval by the antitrust authorities, the transfer of this business took place on June 30, 2007.

The Diagnostics activities, H.C. Starck and Wolff Walsrode are recognized as discontinued operations. The prior-period data have been restated accordingly.

This information, which is provided from the standpoint of the Bayer Group, is to be regarded as part of the reporting for the entire Bayer Group by analogy with our segment reporting and is not intended to portray either the discontinued operations or the remaining operations of Bayer as separate entities. This presentation is thus in line with the principles for reporting discontinued operations.

Discontinued Operations	Diagnostics		H.C. Starck		Wolff Walsrode		Total	
	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007
€ million								
Net sales	377	-	247	-	89	87	713	87
Operating result (EBIT)*	9	-	(6)	-	7	254	10	254
Income after taxes	6	-	(5)	-	3	244	4	244
Gross cash flow*	50	-	26	-	10	5	86	5
Net cash flow*	107	(39)	11	-	2	3	120	(36)
Net investing cash flow	(17)	(209)	(12)	-	(4)	432	(33)	223
Net financing cash flow	(90)	248	1	-	2	(435)	(87)	(187)

* for definition see Bayer Group Key Data on page 2

Discontinued Operations	1st Half 2006		1st Half 2007		1st Half 2006		1st Half 2007	
	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007	1st Half 2006	1st Half 2007
€ million								
Net sales	755	-	494	74	167	172	1,416	246
Operating result (EBIT)*	40	2,778	16	109	13	267	69	3,154
Income after taxes	27	2,044	7	103	5	251	39	2,398
Gross cash flow*	114	(10)	53	14	20	15	187	19
Net cash flow*	171	(32)	37	26	2	8	210	2
Net investing cash flow	(46)	3,539	(22)	922	(6)	430	(74)	4,891
Net financing cash flow	(125)	(3,507)	(15)	(948)	4	(438)	(136)	(4,893)

* for definition see Bayer Group Key Data on page 2

Related parties

In the course of the operating business, materials, inventories and services are sourced from a large number of business partners around the world. These include companies in which an interest is held, and companies with which members of the Supervisory Board of Bayer AG are associated. Transactions with these companies are carried out on an arm's-length basis. Business with such companies was not material from the viewpoint of the Bayer Group. The Bayer Group was not a party to any transaction of an unusual nature or structure that was material to it or to companies or persons closely associated with it, nor does it intend to be party to such transactions in the future.

Business transactions with companies included in the consolidated financial statements at equity, or at cost less impairment charges, mainly comprised trade in goods and services. The value of these transactions was, however, immaterial from the point of view of the Bayer Group. The same applies to financial receivables and payables vis-à-vis related parties.

Leverkusen, July 31, 2007
Bayer Aktiengesellschaft

The Board of Management

Werner Wenning

Klaus Kühn

Dr. Wolfgang Plischke

Dr. Richard Pott

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Leverkusen, July 31, 2007
Bayer Aktiengesellschaft

The Board of Management

Werner Wenning

Klaus Kühn

Dr. Wolfgang Plischke

Dr. Richard Pott

To Bayer AG, Leverkusen

We have reviewed the condensed consolidated interim financial statements – comprising the statement of income, balance sheet, cash flow statement, statement of recognized income and expense and selected explanatory notes – and the interim group management report of Bayer AG for the period from January 1, 2007 to June 30, 2007 which are part of the half-year financial report pursuant to § (Article) 37w WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act.) The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the E.U. and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the E.U. and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the E.U. nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, August 6, 2007

PriceWaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

A. Slotta
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V. Linke
(German Public Auditor)