

Report of the Board of Management to the Annual Stockholders' Meeting concerning item 6 of the agenda in accordance with Section 71 Para. 1 Number 8 Sentence 5 AktG in conjunction with Section 186 Para. 4 Sentence 2 AktG

In accordance with Section 71 Para. 1 Number 8 Sentence 5 AktG in conjunction with Section 186 Para. 4 Sentence 2 AktG, the Board of Management submits the following written report to the Annual Stockholders' Meeting of the Company convened for 7 May 2009 relating to the resolution proposed in agenda item 6, authorizing the Company to acquire and dispose of shares in the Company including an authorization to exclude the subscription right:

The Board of Management and the Supervisory Board propose that the Board of Management shall be authorized for a limited period of time (only until 5 November 2010) to purchase shares in the Company up to a calculated share of 10% in the existing capital stock of the Company. This new authorization shall replace the authorization for the acquisition of shares in the Company granted at the Annual Stockholders' Meeting of 29 May 2008 which is set to expire on 27 November 2009.

At no time may the shares purchased on the basis of this new authorization to be granted together with shares in the Company acquired by the Company on another basis and still owned by the Company exceed 10% of the Company's capital stock at that time. At the time the Annual Stockholders' Meeting was convened, the Company did not own any shares in the Company.

When acquiring shares in the Company, the principle of equal treatment of all stockholders as set forth in Section 53a AktG must be adhered to. This is accomplished by providing for the shares to be acquired, at the Board of Management's discretion, either on the stock exchange or through a public offer to purchase directed at all stockholders or a public call, directed at all stockholders, for the submission of an offer to sell. With a public call for the submission of an offer to sell, the addressees can decide how many shares they wish to offer to the Company and, if a price range has been determined, at what price. If a public offer to purchase is oversubscribed or if several equivalent offers by stockholders for the purchase of shares cannot all be accepted, their acceptance shall be based on quotas. It should, however, be possible to provide for a preferred acceptance of small offers or small parts of offers up to a maximum of 100 no-par value bearer shares. This option serves to avoid fractional amounts in the determination of the quotas to be acquired and prevents the formation of small residual quantities. Consequently, this simplifies the technical execution and is therefore in the best interest of the Company and its stockholders.

Shares may be acquired and disposed of for any purpose permitted by law. In particular, the authorization may be exercised for the following purposes:

The Company may also dispose of the purchased shares in the Company outside of any stock exchange and without a public call directed to all stockholders provided that the shares are sold for cash and at a price that does not significantly fall short of the market value of the

shares at the time of the sale. This authorization makes use of the simplified exclusion of the subscription right permitted pursuant to Section 71 Para. 1 Number 8 AktG in application of Section 186 Para. 3 Sentence 4 AktG. This provision was designed to allow the Company the opportunity to offer shares in the Company to institutional investors in the interest of broadening the stockholder base. This authorization may only be exercised under the condition that the percentage of shares that are issued under the exclusion of the subscription right in accordance with Section 186 Para. 3 Sentence 4 AktG does not amount to more than 10% of the capital stock, neither at the time this authorization becomes effective nor at the time it is exercised. This upper limit relevant for the simplified exclusion of the subscription right shall be reduced by the pro-rated amount of the capital stock attributable to those shares issued or sold during the period of effectiveness of this authorization under the exclusion of the subscription right in direct or analogous application of Section 186 Para. 3 Sentence 4 AktG. Furthermore, this limit shall be reduced by shares that have been or must be issued in order to satisfy option or conversion rights if the associated bonds were issued under exclusion of the subscription right in accordance with Section 186 Para. 3 Sentence 4 AktG during the period of effectiveness of this authorization.

The financial and voting right interests of the stockholders will be adequately safeguarded in the event of an exclusion of subscription rights in application of Section 186 Para. 3 Sentence 4 AktG. Any concerns about dilution are addressed by the stipulation that shares may only be sold at a price that is not significantly lower than the prevailing market price. The final determination of the selling price for shares in the Company will take place close to the time of the sale. The Board of Management will endeavour to minimize any discount on the market price, giving due consideration to the current market conditions. In this context, the stockholders are protected by the fact that the discount on the market price at the time of the sale must not be significant, i.e., never more than 5% of the current market price. Furthermore, stockholders have the opportunity to maintain their share in the Company's capital stock at any time by purchasing additional shares on the stock exchange.

Furthermore, the Company shall have the opportunity to offer the purchased shares in the Company in connection with mergers, acquisitions of companies, parts of companies, and equity interest in companies, or other assets, including rights and receivables, as consideration instead of money. This will allow the Company the required latitude to be able to respond quickly, flexibly, and without straining liquidity to attractive opportunities for mergers and acquisitions of companies, parts of companies, and equity interests in companies, or other assets, including rights and receivables, allowing the Company to improve its competitive position and to strengthen its profitability. Oftentimes, the owners of attractive companies or other attractive assets also demand consideration in the form of voting stock of the buyer. In order for the Company to be able to acquire such companies and assets as well, it must be able to offer consideration in the form of stock. Without the exclusion of the subscription right, it would not be possible to achieve the resulting advantages for the Company and the stockholders. In such a case, the Board of Management will ensure that the interests of the stockholders are adequately protected when determining the valuation ratios. The Board of Management will also take into account the

market price of the Company's shares. To prevent previously reached negotiation results from being challenged on the grounds of market price fluctuations, a systematic link to the market price is not envisaged. The Board of Management will only exercise this authorization in individual cases if the exclusion of the subscription right is in the well-understood interest of the Company and its stockholders.

Finally, the Board of Management shall be authorized to redeem the acquired shares in the Company. The redemption of shares will generally result in a capital reduction without requiring any further resolution by the Annual Stockholders' Meeting. Notwithstanding the aforesaid, the Board of Management may determine that the capital stock shall remain unchanged and that instead the remaining shares percentage in the capital stock shall increase as a result of the share redemption pursuant to Section 8 Para. 3 AktG. Therefore, the Board of Management shall also be authorized to amend the Articles of Association as necessary to reflect the change in the number of no-par shares resulting from the redemption.

In each individual case that leads to an exclusion of the subscription right, the Board of Management shall carefully examine whether the exclusion of the Stockholders' subscription right is in the best interest of the Company and thus also in the best interest of its stockholders.

This authorization to acquire and dispose of shares in the Company may also be exercised by affiliated companies or by third parties for the account of the Company or its affiliated companies. This allows the Company to use shares in the Company more flexibly.

In the event of the utilization of the above authorization, the Board of Management shall report thereon at the Annual Stockholders' Meeting.

Leverkusen, den 19. März 2009

(Dr. Axel C. Heitmann)

(Dr. Werner Breuers)

(Dr. Rainier van Roessel)

(Matthias Zachert)