



News Release

Electroactive polymers in consumer electronics

Bayer MaterialScience acquires Artificial Muscle, Inc.

Enabling technology for the next generation of touchscreens

Leverkusen, March 9, 2010 – Bayer MaterialScience LLC, a subsidiary of Bayer AG and part of the global Bayer MaterialScience business, has acquired Artificial Muscle, Inc. (AMI) of Sunnyvale, California. AMI is a pioneer and leader in the field of electroactive polymers for the consumer electronics industry.

AMI polymers are used in the development, design and manufacture of actuators and sensing components. They offer significant advantages over traditional technologies used in this area. They provide touchscreen panels in consumer electronics with “awareness through touch” by creating authentic tactile feedback, just like a conventional keyboard. This innovative technology has significant application potential, particularly for electronic devices like smartphones, gaming controllers and touchpads.

Through the acquisition, Bayer MaterialScience gains exclusive access to a broad patent portfolio and patent applications owned or exclusively licensed by AMI. This will allow Bayer MaterialScience to address a significant part of the value chain for films in a broad range of applications, as well as to accelerate the introduction of this technology into the market within the next two years. Confidentiality was agreed upon regarding the purchase price.

"This acquisition allows us to combine AMI's excellent technology with our existing expertise and gives us a leading position in electroactive polymers in materials and in their use in numerous applications," says Patrick Thomas, Chief Executive Officer, Bayer MaterialScience AG.

Dr Joachim Wolff, a member of Bayer MaterialScience AG's Executive Committee and head of the Coatings, Adhesives, Specialties business unit, adds: "The take-over of AMI allows us to expand in a new market sector. We invest heavily in R&D and this agreement further strengthens our position as a solution provider."

All AMI employees, including the President and Chief Executive Officer of AMI, Scott Metcalf, will remain with AMI following the acquisition by Bayer MaterialScience LLC. "This is an exciting milestone for our company, and we look forward to scaling our growth as part of Bayer MaterialScience," said Scott Metcalf.

About Bayer MaterialScience:

With 2009 sales of EUR 7.5 billion, Bayer MaterialScience is among the world's largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, electrical and electronics, construction and the sports and leisure industries. At the end of 2009, Bayer MaterialScience had 30 production sites and employed approximately 14,300 people around the globe. Bayer MaterialScience is a Bayer Group company.

About Artificial Muscle, Inc.:

Artificial Muscle, Inc. (AMI) was spun out of SRI (Stanford Research Institute) International, in early 2004 to commercialize Electroactive Polymer Artificial Muscle (EPAM™) technology. AMI initially targeted products for a range of applications including valves, pumps, positioners, power generation and sensors. With the emergent need for haptics in consumer electronics, particularly in touchscreens, AMI used EPAM™ to create the Reflex™ brand of haptic actuators. These products are targeted at a wide range of consumer electronics including smartphones and other portable electronics, computer peripherals, gaming controllers and touchpads.

Contact:

Andrea Knebel-Kyriakidis, Telefon: +49 214 30-70313

E-Mail: andrea.knebel@bayermaterialscience.com

For more information visit www.bayermaterialscience.com
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Forward-looking statements

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