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Report of the Board of Management to the Annual Stockholders' Meeting concerning item 6 of the agenda in accordance with Section 71 Para. 1 No. 8 Sentence 5 AktG in conjunction with Section 186 Para. 4 Sentence 2 AktG

The Board of Management and the Supervisory Board propose that the Board of Management shall be authorized, limited in time until 17 May 2016, to purchase and dispose of shares in the Company up to a calculated proportion of 10% in the existing capital stock of the Company. The amount of such capital stock at the time of the adoption of the relevant resolution by the Annual Stockholders' Meeting regarding the authorization or - if this value is lower - at the time of exercising the authorization shall be the determining factor.

This new authorization shall replace the authorization for the acquisition of shares in the Company granted in the Annual Stockholders' Meeting of 28 May 2010, which is set to expire on 25 November 2011. The authorization of 28 May 2010 regarding the use of shares acquired on the basis of the authorization of 28 May 2010 until the day of the Annual Stockholders' Meeting shall not be affected by the above.

Under mandatory law, the shares acquired under the proposed new authorization together with other own shares of the Company already acquired and still held by the Company may not exceed 10% of the capital stock of the Company. At the time the Annual Stockholders' Meeting was convened, the Company did not own any treasury stock in the Company.

When acquiring shares in the Company, the principle of equal treatment of all Stockholders as set forth in Section 53 a AktG must be adhered to. This is accomplished by providing for the shares to be acquired, as planned, 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 submission of an offer to sell, the addressees may decide how many shares they wish to offer to the Company and, if a price range has been specified, 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. For reasons of practicability and non-discrimination, this should be based on the ratio of tendered shares (tender ratio). The option of rounding following commercial principles serves to avoid fractional amounts in the determination of the quotas to be acquired. To that end, the number of the shares to be acquired by the individual tendering Stockholders may be rounded off so as to allow for showing the acquisition of whole shares for procedural reasons. This simplifies the technical execution and is therefore in the 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:

In case of disposing shares in the Company by way of an offer to all Stockholders, the subscription right is maintained; the subscription right in this event is meant to be excluded only with regard to fractional amounts. This is meant to facilitate the disposal of shares in the Company by way of an offer to all Stockholders. Fractional amounts may result from the respective disposal volume and from the fact that it is necessary to offer a technically feasible subscription ratio. The value of such fractional amounts is usually low for the individual Stockholder. The potential dilution effect can also be disregarded due to the limitation to fractional amounts. On the other hand, the expense for selling the Company's own shares via an offer to all Stockholders is much higher for the Company without such exclusion, entailing additional costs. The shares excluded from the subscription right due to fractional amounts will be utilized in the best interest of the Company. The exclusion of the subscription right thus serves the purpose of convenience and cost efficiency and simplifies the execution of any disposal of shares in the Company by way of an offer to all Stockholders.

The Company may dispose of the purchased shares in the Company also outside the 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 No. 8 AktG in application of Section 186 Para. 3 Sentence 4 AktG. This is intended to provide the Company with an option to offer the Company's shares to institutional investors in the interest of expanding the Stockholder base. The authorization furthermore allows for the issuance of shares at short notice. The proposed authorization therefore serves to secure a permanent and adequate equity capital 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 of adoption of a resolution by the Annual Stockholders' Meeting regarding this authorization nor at the time it is exercised. This upper limit for the simplified exclusion of the subscription right shall be reduced by the prorated amount of the capital stock attributable to the 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 the exclusion of the subscription right in accordance with Section 186 Para. 3 Sentence 4 AktG. Associated bonds may be warrant bonds or convertible bonds or profit participation rights or any combination of these instruments. Option or conversion rights within the meaning of the proposed authorization shall also be exercised if shares are issued to satisfy claims regarding the purchase of shares under conversion obligations or to avert claims for a reduction of the option or conversion price for the purpose of protecting against dilution by the issuance of additional shares.

The financial and voting 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. 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. The Board of Management will endeavor to obtain the highest possible proceeds from any disposal and to minimize any discount on the market price, giving due consideration to the current market conditions. Any discount off the market price at the time of sale probably will be less than 3%, and in any event never more than 5%. The relevant market price shall be the market price on the day of the binding agreement with the buyer. Since fluctuations in price may occur on very short notice due to the volatility of the markets, it should not stipulated in advance whether a current average price covering only a few days should be used or the price current at that moment in time. This shall be documented on a case-by-case basis.

Furthermore, the Company shall have the opportunity to offer, as consideration instead of money, the Company's own shares acquired in connection with mergers or when acquiring companies, part of companies or equity interests in companies, or when acquiring other assets, including rights or receivables. This will give the Company the necessary latitude of action to be able to respond quickly, flexibly, and without straining the liquidity, to attractive opportunities of mergers or for acquiring other 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, e.g. without involving the Stockholders' Meeting, which frequently is not possible for lack of time. In today's corporate practice, treasury stock is a major acquisition currency. Oftentimes, the owners of attractive companies or other attractive assets demand of the buyer consideration in the form of stock instead of a cash payment. In order for the Company to be able to acquire such companies or assets it must be able to offer consideration in the form of stock. It would not be possible to achieve the resulting advantages for the Company and the Stockholders without the exclusion of the subscription rights. In such a case, the Board of Management will ensure, when determining the valuation ratios, that the interests of the Stockholders are adequately protected. The Board of Management will also take into account the market price of the Company's shares. A planned link to a certain market price is not envisaged, in particular so as to prevent previously reached negotiation results from being challenged because of market price fluctuations. The Board of Management will only exercise this authorization in individual cases if the exclusion of the subscription rights is in the obvious interest of the Company and its Stockholders. Furthermore, the use of the Company's own shares for acquisitions does not mean for existing Stockholders that their voting rights are diluted compared to the situation prior to the Company's purchase of the Company's own shares.

The Board of Management will furthermore 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 Stockholders' Meeting. Notwithstanding the aforesaid, the Board of Management may determine that the capital stock shall remain unchanged and that instead the percentage of the remaining shares 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 Associations as necessary to reflect the change in the number of no-par value shares resulting from the redemption.

The Board of Management shall be authorized to use acquired shares in the Company to fulfill obligations of the Company under conversion or option rights or conversion obligations from convertible bonds or warrant bonds and/or profit participation rights or income bonds (or any combination of these instruments) issued by the Company or its dependent group companies, which grant a conversion or option right or carry a conversion obligation. Access to borrowed capital through such financing instruments is in the Company's interest since this form of financing is possible on particularly attractive terms. It is furthermore possible to convert the borrowed capital into equity at a later stage or at least report it in the balance sheet as equivalent to equity and thereby strengthen the Company's capital base. However, such financing may be obtained only if a sufficient number of shares of the Company can be allocated to the holders or creditors of the relevant instruments in case the conversion right or option is exercised or the conversion obligation is fulfilled. It may be expedient to exercise the relevant rights to the subscription of shares not by way of a capital increase, but wholly or partly by shares in the Company. Accordingly, the relevant use of shares in the Company is proposed to the exclusion of the subscription right. When deciding whether to issue shares in the Company or increase the capital, the Board of Management shall carefully balance the interests of the Company and of the Stockholders.

The Board of Management shall be authorized to use the acquired shares in the Company to grant holders of convertible bonds or warrant bonds and/or profit participation rights or income bonds (or any combination of these instruments) issued by the Company or its dependent group companies, which grant a conversion or option right or carry a conversion obligation, shares in the Company to the extent to which they would be due a subscription right to shares of the Company after exercising their conversion or option rights or after fulfilling their conversion obligations. To make it easier to place bonds on the capital market, the relevant issuing terms usually provide for protection against dilution. Dilution may be prevented e.g. by the holders of convertible bonds also having a subscription right to the new shares if shares are issued where the Stockholders have a subscription right. They are thus placed in the same position as if they had already exercised their option or conversion right or fulfilled their conversion obligation. Since protection against dilution in this case does not have to be guaranteed by reducing the option or conversion price, it is possible to obtain a higher issue price for the shares to be issued upon conversion or exercise of the option. This strengthens the Company's liquidity. However, this approach is possible only if the Stockholders' subscription right in that respect is excluded.

In each individual case that leads to an exclusion of the subscription right, the Board of Management will 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.

The option to acquire and dispose of shares in the Company, including by dependent group companies of the Company or by third parties for the account of the Company or of directly or indirectly affiliated enterprises of the Company allows the Company to use the 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 next Stockholders' Meeting.

Leverkusen, March 2011

(Dr. Axel C. Heitmann)	(Dr. Werner Breuers)
(Dr. Rainier van Roessel)	(Matthias Zachert)