



2003

*Annual Customer
Satisfaction Report*

BayerCare™



Bayer HealthCare
Diagnostics Division



BayerCareTM
It's all about you!



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COMMENTS FROM OUR GENERAL MANAGER

"Together we build an organization that inspires personal, professional, and business success."



Gerald Rosenberg

Senior Vice President & General Manager,
North American Region
Bayer HealthCare, Diagnostics Division



We know that our industry is demanding and constantly changing leaving little time for training and developing our minds. Fortunately, new technologies have emerged to help make learning more intuitive, flexible and convenient. The real challenge is how businesses embrace these technologies and deploy them into the marketplace.

At Bayer HealthCare, Diagnostics Division, we believe it is our responsibility to provide new professional development solutions for our customers and employees. To that end, we recently launched Bayer University, a new online educational environment that provides a convenient and personalized approach to continuous learning to build, reinforce, and sustain knowledge. The result, we believe, is operational performance that comes from the personal and professional growth of both our customers and our organization.

We continue to measure our success by your perception of the "Bayer Experience." Through our systematic process of collecting your feedback and suggestions, we continue to make changes and enhancements to the services we provide. We asked for your opinion, and because feedback is a two-way street, we are proud to share with you our third Annual Customer Satisfaction Report. This report was conducted for Bayer by an independent, quality-auditing firm called the Omega Management Group Corp. While we are proud of the progress we've made during these last 12 months, we recognize that becoming the diagnostics company you can depend on for quality products and service is a journey of continuous exploration and improvement.

I would like to express my gratitude for your thoughts, opinions, suggestions and support as we bring your ideas to fruition. Your loyalty to Bayer is dearly valued.

Sincerely,

THE BAYER EXPERIENCE

The “Bayer Experience” describes the benefits you receive every day from our innovative, diagnostic-product solutions, our dedicated people and our support processes. In 2004, we will introduce BayerCare, which further emphasizes our commitment to providing you with an integrated services network dedicated to the highest quality of personalized, seamless and caring support.

To drive our process of continuous improvement, we measure customer satisfaction of the total Bayer Experience through a comprehensive and consistent approach. Utilizing a broad portfolio of surveys we want to understand our performance, from all aspects, from your point of view. We believe our third Annual Customer Satisfaction Report demonstrates our continuing history of quality commitment to customer satisfaction.

We sincerely appreciate your feedback and the time you’ve spent providing it.

Within this report you will find the major Bayer HealthCare services department summaries and customer satisfaction survey results. The results are presented as percent satisfaction, which includes survey responses of “meeting” and “exceeding” your expectations during interactions with us – or as we call them, “moments of truth.”

We want to do everything possible to make your Bayer Experience both positive and productive. Please call to tell us about your own Bayer Experience or to provide your suggestions about further improvements we can make on our “Voice of the Customer” number at 1-866-VOICE-66.

Sincerely,



Rawson Cowen

*Director,
Customer Relationship Management
Bayer HealthCare, Diagnostics Division*

Comments or Suggestions?

Voice of the Customer
1-866-VOICE-66

OVERALL CUSTOMER EXPERIENCE

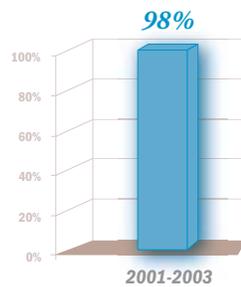


At Bayer HealthCare, Diagnostics Division, Our Vision is "To earn the loyalty of our Customers by being the people that Customers want to do business with because we will relentlessly strive to exceed their expectations."

To us this means the pursuit of your 100% satisfaction. And to help us get there, we've developed a systematic and consistent method to quantitatively measure and guide our continuous improvement progress. This Annual Customer Satisfaction Report, the result of three years and over 14,000 surveys completed, tells a story that you helped to write.

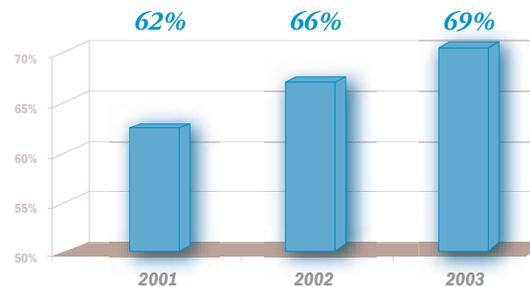
- Over the past three years (2001-2003), your overall satisfaction, combined across all department surveys for all questions, was measured consistently at 98%.
- There is an upward trend in how you ranked us against competition in the last three years. The chart below shows the combined percentage of surveys, across all departments, in which you rated Bayer as Much Better or Better than the competition.
- Management-level customers in 2003 reported excellent customer satisfaction across multiple attributes.

Combined Total Customer Satisfaction



*Data collected from over 14,000 surveys

Bayer vs. Competition



% Rated Much Better/Better

Administration and Manager

2003 % SATISFACTION

Training	99%
Ordering Process	99%
Field Service	96%
Sales	95%
Technical Support	95%
Product	94%

CUSTOMER SERVICE DEPARTMENT SUMMARY

Customer Service is dedicated to providing the best service and support in the industry. We work solely to satisfy your needs for order fulfillment, contract services, non-technical product information, and assistance on invoicing inquiries and product delivery. Our goal is to ensure that you receive the products and services you need, when you need them – at the agreed-to price.

Because people are our most valuable asset, our approach to continuous improvement in 2003



TECHNICAL PHONE SUPPORT DEPARTMENT SUMMARY



The Technical Care Center (TCC) provides 7x24x365 telephone troubleshooting and product support for your Bayer products. Our goal is to help you use these products to optimum efficiency and satisfaction. To meet this goal, our diverse team of experienced technical experts use advanced remote technology tools and troubleshooting databases to provide and communicate prompt solutions to you. And for new customers and those of you with unique situations, TCC works proactively to meet your special needs.

In 2003, we increased staff and focused on training our entire team to enhance their knowledge and skills to address the increasing technological sophistication of today's laboratory – all while achieving high levels of customer service.

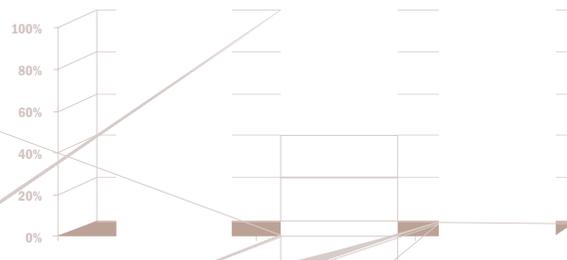
Survey results for 2003 show a consistent score of 98% satisfaction for the department overall.

In 2004, we are well prepared to support all existing and new customers from the firm foundation of success in meeting your needs.

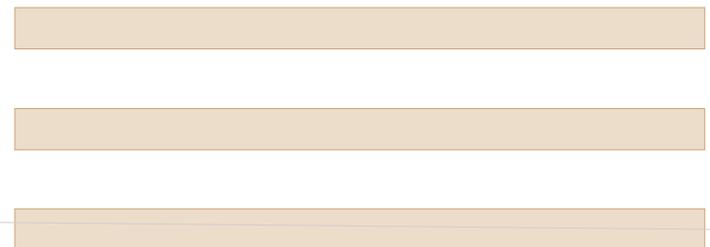
- Our technical phone consultants resolve 65% of calls without requiring further Field Service support.
- Customers rate our consultants highly on technical skills, product knowledge and professionalism.

We can be reached at any time at 1-877-BAYER-11

Overall Department Satisfaction



Technical Phone Support



FIELD SERVICE DEPARTMENT SUMMARY



Field Service provides on-site service support and preventative maintenance for designated Bayer instrument systems. From ADVIA® WorkCell Automation Systems to blood gas analyzers, we pride ourselves on exceeding your individual needs and developing long-term partnerships.

In 2003, our Field Service team grew considerably as system populations continue to rise sharply. Yet, as we build our organization, we strive to maintain the high quality of all customer interactions. Survey results support this effort showing a consistent achievement of 98% satisfaction overall for Field Service. Our focus in 2003 was continuing to improve the uptime of our diagnostic systems, and enabling your productivity and ability to continually report patient results.

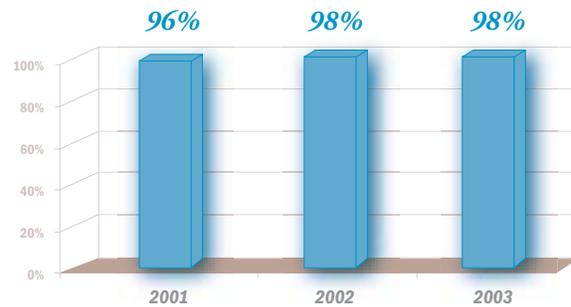
In 2004, that focus remains as we continue to add value that maximizes your efficiency and use of your laboratory equipment. Through more advanced technical training and our unrelenting drive to further exceed your expectations, our field service professionals will continue to lead the way in the diagnostics marketplace.

Satisfaction Survey Results for 2003:

- First-fix rate exceeded 96%
- Field-serviced instruments overall up-time exceeded 99%



Overall Department Satisfaction



Field Service

2003 % SATISFACTION

Response Time to Phone You Regarding Service/Arrival Time	97%
Ability to Meet Your Needs	98%
Ability to Resolve your Issues in a Timely Manner	96%
Ability to Effect Timely Repairs	96%
Explanation of the Problem and Actions Taken	98%
Professionalism and Courtesy	99%

CUSTOMER AND TECHNICAL EDUCATION DEPARTMENT SUMMARY

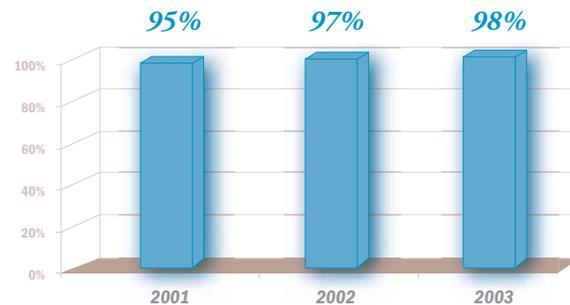


Customer and Technical Education provides an innovative approach to knowledge management for both our customers and employees. Learning is an internal process by which we take information and experiences and then translate them into knowledge or skills. Courses are developed by our board-certified trainers and are based on adult learning principles. As we develop materials, we use a blended learning approach taking advantage of electronic media and Web technology in addition to classroom and on-site instruction.

In 2003, we improved the department overall satisfaction level to 98%. Our approach to training, as a continuous process of learning about our products and processes, helped to drive this improvement. We will continue to deliver information in a variety of formats that enable increased knowledge exchange that contributes to your success.

In 2004, our focus is on knowledge retention and knowledge transfer. We are striving for effective and efficient operation of our products by all who work with them in the laboratory. We are building our curriculum with "lifetime learning" in mind, providing teaching and learning materials throughout our relationship with you.

Overall Department Satisfaction



Customer and Technical Education

2003 % SATISFACTION

How Well the Pre-training Materials Prepared You for Class	97%
Ability to Meet Your Needs and Objectives	99%
Your Ability to Use the System Immediately Following Training	99%
The Length of the Training Program (i.e., Adequate)	95%
Ability to Understand and Convey to Others the Class Info	100%
Training Materials/Tools Provided Useful to Train Others	98%
The Training Program Overall	99%

BayerCare...It is all about you!

You are committed to providing patients with fast, accurate results – every time, every day. At Bayer, we are committed to helping you keep those commitments.

Through BayerCare, our integrated services network, we provide you personalized, seamless and caring support through our highly trained and certified professionals who focus only on quality service. We deliver on our commitments so you can keep yours – every time, every day.

These dedicated professionals are highlighted in the 2003 Annual Customer Satisfaction Report.

Front Cover: James Tordella, Regional Sales Manager
 Dominick Marzziotti, Regional Service Manager
 Yves Blaise, Regional Service Manager
 Rose Binder, Training Specialist
 Lehka Patel, Senior Customer Service Representative

Inside Cover: Alan Muehlberger, Receivables Representative
 Jennifer Williams, Senior Training Specialist
 Sue Hinderliter, Supervisor, Technical Care Center
 Osazee Woghiren, Technical Care Center Consultant
 Julie Hall, Field Sales Trainer
 Dennis Williams, Field Service Engineer
 Eva Morana, Technical Care Center Consultant
 Lisa vanCadsand, Training Specialist
 James Christenson, Field Service Engineer
 Robert Twitchell, Supervisor, Technical Care Center
 Ian Smith, Customer Service Representative
 Gary Robson, Senior Trainer
 Theresa Lazaro, Bids and Quotes Specialist
 Gary Barker, Senior Leasing Analyst

Page 4: Fran Arensberg, Customer Service Representative
 Lisa Francescon, Supervisor, Contract Administration
 David McDuff, Customer Service Representative
 Robert Savoy, Customer Service Representative

Page 5: Karen Basque, Technical Care Center Consultant
 Janet Aveni, Technical Product Manager
 James Maccalous, Technical Care Center Consultant
 Stephen Sampson, Senior Dispatch Coordinator

Page 6: Don Martus, Senior Field Service Engineer
 Larry Smith, Field Service Engineer
 James Christenson, Field Service Engineer

Page 7: Jennifer Williams, Senior Training Specialist
 Diane Cowden, Senior Trainer
 Jewala Ishrie, Training Specialist

Back Cover: Robert Melota, Manager, Technical Care Center
 Kira Feczko, Technical Care Center Consultant
 Pauline McDonough, Commercial Services Manager
 David Armstrong, Senior Customer Service Representative
 Tom Rogers, Customer Service Representative
 Ann Marie Weaver, Technical Care Center Consultant

Independent Audit Validation

ΩMEGA Management Group Corporation

To the Customers of Bayer HealthCare, Diagnostics Division:

We have audited the customer base of Bayer HealthCare as of their fiscal year 2003. These customer survey statements are the result of our independent survey of customers. Our responsibility is to express an opinion on these customer survey statements based on our survey audits.

We conducted our customer survey audits in accordance with our generally accepted survey auditing standards. Those standards require that we plan and perform the customer survey audit to obtain reasonable assurance about whether the customer statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the quality of service provided and the overall assessing of the quality principle used and significant quality estimates made by management, as well as evaluating the overall quality of service provided. We believe that our survey audit provides a reasonable basis for our opinion.

In our opinion, the accompanying consolidated customer survey statements present fairly, in all material respects, the customer satisfaction position of Bayer HealthCare, Diagnostics Division for the time period of January 1, 2003 through December 31, 2003.



Richard J. Castellano
 Chief Customer Officer,
 Management Group Corporation
 Chelmsford, Massachusetts



BAYER DIAGNOSTICS MISSION AND VISION STATEMENT



Our Mission

Bayer HealthCare, Diagnostics Division will make a Positive Difference to Human Health...Daily.

Our Vision

We will earn the loyalty of our Customers by being the people that Customers want to do business with because we will relentlessly strive to exceed their expectations.

We will create an irresistible force that attracts and sustains customer loyalty. We consistently will be among the leading, fastest growing diagnostics companies by rapidly creating and delivering innovative healthcare solutions.

Quality is in our hearts, minds and spirits. It encompasses all of our activities at all times. By our actions, we are living examples of how to communicate, measure, recognize and reward and continuously improve quality.

Together, we will build an organization that inspires personal, professional and business success.



Bayer HealthCare Diagnostics Division

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