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Investor News

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Ophthalmology Research:

Bayer and Regeneron to Develop New Treatment Option for Wet Age-Related Macular Degeneration

- Joint development of Regeneron's PDGFR Beta antibody as new candidate for potential combination therapy demonstrates both companies' strong commitment to ophthalmology
- Bayer obtains exclusive commercialization rights outside the U.S., where Bayer and Regeneron will share profits
- Regeneron retains full U.S. commercialization rights

Leverkusen, Germany, January 13, 2014 – Bayer HealthCare and Regeneron Pharmaceuticals, Inc. (NASDAQ: **REGN**) today announced an agreement to jointly develop an innovative antibody to Platelet Derived Growth Factor Receptor Beta (PDGFR-β) as a potential combination therapy with EYLEA® (aflibercept) for the treatment of wet age-related macular degeneration (wet AMD). Preclinical data suggests that combining PDGFR-β blockade with vascular endothelial growth factor (VEGF) blockade by EYLEA can be advantageous over inhibiting VEGF alone in the treatment of this devastating eye disease. First in human clinical studies are currently planned to begin in early 2014.

"Given the multi-factorial nature of wet AMD, there is a potential for additional benefits to patients by addressing different pathways responsible for this devastating condition," said Kemal Malik, M.B., B.S., Member of the Bayer HealthCare Executive Committee and Head of Global Development. "Inhibition of PDGF is one such pathway and we are looking forward to developing a potential combination therapy together with Regeneron. Bayer is strongly committed to expanding its ophthalmology research and development efforts with innovative treatment options and this new development candidate complements our own pipeline perfectly."

“Bayer has been a great collaborator in the development and commercialization of EYLEA outside the U.S.,” said George D. Yancopoulos, M.D., Ph. D., Chief Scientific Officer of Regeneron and President of Regeneron Laboratories. “We look forward to building on our relationship in ophthalmology with this potential next generation product candidate which will combine Regeneron’s PDGFR-β antibody and EYLEA in a single intravitreal injection.”

Under the terms of the agreement, Bayer HealthCare will make an upfront payment of $25.5 million to Regeneron and will share global development costs for the program. Bayer HealthCare will have exclusive commercialization rights to the combination product outside the US where they will share profits from ex-U.S. sales equally with Regeneron. Within the U.S., Regeneron has exclusive commercialization rights and will retain 100 percent of the profits from sales. Under the agreement, Regeneron is eligible to receive up to $40 million in option and milestone payments through regulatory approval from Bayer HealthCare, and Bayer HealthCare is responsible for certain payments due to a third party, including royalties on ex-US sales and a share of development milestones.

About Regeneron Pharmaceuticals

Regeneron is a leading science-based biopharmaceutical company based in Tarrytown, New York that discovers, invents, develops, manufactures, and commercializes medicines for the treatment of serious medical conditions. Regeneron markets medicines for eye diseases, colorectal cancer, and a rare inflammatory condition and has product candidates in development in other areas of high unmet medical need, including hypercholesterolemia, oncology, rheumatoid arthritis, asthma, and atopic dermatitis. For additional information about the company, please visit www.regeneron.com.

About Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of health care, agriculture and high-tech materials. Bayer HealthCare, a subgroup of Bayer AG with annual sales of EUR 18.6 billion (2012), is one of the world’s leading, innovative companies in the healthcare and medical products industry and is based in Leverkusen, Germany. The company combines the global activities of the Animal Health, Consumer Care, Medical Care and Pharmaceuticals divisions. Bayer HealthCare’s aim is to discover, develop, manufacture and market products that will improve human and animal health worldwide. Bayer HealthCare has a global workforce of 54,900 employees (Dec 31, 2012) and is represented in more than 100 countries. More information at www.healthcare.bayer.com.

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Bayer Forward-Looking Statements
This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer Group or subgroup management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Regeneron Forward-Looking Statements
This news release includes forward-looking statements that involve risks and uncertainties relating to future events and the future performance of Regeneron, and actual events or results may differ materially from these forward-looking statements. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," variations of such words and similar expressions are intended to identify such forward-looking statements, although not all forward-looking statements contain these identifying words. These statements concern, and these risks and uncertainties include, among others, the nature, timing, and possible success and therapeutic applications of Regeneron's products, product candidates, and research and clinical programs now underway or planned, including without limitation EYLEA® (aflibercept) Injection and a potential combination therapy of EYLEA® (aflibercept) and an antibody to the Platelet Derived Growth Factor Receptor Beta (PDGFR-β) for the treatment of wet age-related macular degeneration; unforeseen safety issues resulting from the administration of products and product candidates in patients, including serious complications or side effects in connection with the use of Regeneron's product candidates in clinical trials; the likelihood and timing of possible regulatory approval and commercial launch of Regeneron's late-stage product candidates and new indications for marketed products; ongoing regulatory obligations and oversight impacting Regeneron's research and clinical programs and business; determinations by regulatory and administrative governmental authorities which may delay or restrict Regeneron's ability to continue to develop or commercialize Regeneron's products and product candidates; competing drugs and product candidates that may be superior to Regeneron's products and product candidates; uncertainty of market acceptance and commercial success of Regeneron's products and product candidates; the ability of Regeneron to manufacture and manage supply chains for multiple products and product candidates; coverage and reimbursement determinations by third-party payers, including Medicare and Medicaid; unanticipated expenses; the costs of developing, producing, and selling products; the ability of Regeneron to meet any of its sales or other financial projections or guidance and changes to the assumptions underlying those projections or guidance; the potential for any license or collaboration agreement, including Regeneron's agreements with Sanofi and Bayer HealthCare (such as the License and Collaboration Agreement with Bayer HealthCare referred to in this news release), to be cancelled or terminated without any further product success; and risks associated with third party intellectual property and pending or future litigation relating thereto. A more complete description of these and other material risks can be found in Regeneron's filings with the United States Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2012 and its Form 10-Q for the quarterly period ended September 30, 2013. The reader is cautioned not to rely on any forward-looking statements made by Regeneron. Regeneron does not undertake any obligation to update publicly any forward-looking statement, including without limitation any financial projection or guidance, whether as a result of new information, future events, or otherwise.