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Bayer AG
Investor Relations
51368 Leverkusen
Germany
www.investor.bayer.com

Investor News

Bayer HealthCare and Regeneron Announce Encouraging 32-week Follow-Up Results from a Phase 2 Study of VEGF Trap-Eye in Age-related Macular Degeneration

Gains in visual acuity achieved in initial 12-week fixed dosing phase of study maintained in PRN (as-needed) dosing phase

Leverkusen, April 28, 2008 – Bayer HealthCare AG and development partner Regeneron Pharmaceuticals, Inc. (Nasdaq: REGN) today announced that VEGF Trap-Eye dosed on a PRN (as-needed) dosing schedule maintained the statistically significant gain in visual acuity achieved after an initial, 12-week, fixed-dosing phase of a Phase 2 study in the neovascular form of Age-related Macular Degeneration (wet AMD). A full analysis of the 32-week results of the Phase 2 study will be presented today at the 2008 Association for Research in Vision and Ophthalmology (ARVO) meeting in Fort Lauderdale, Florida. The data being reported at the meeting are available on the Regeneron website (www.regeneron.com on the Investor Relations page, under the Presentations heading).

Study results showed that across all dose groups in the study population, the 6.6 mean letter gain in visual acuity achieved versus baseline at the week 16 evaluation visit, following 12 weeks of fixed dosing, was maintained out to week 32 (a 6.7 mean letter gain versus baseline; $p< 0.0001$) using a PRN dosing schedule (where dosing frequency was determined by the physician's assessment of pre-specified criteria). The decrease in retinal thickness, an anatomical measure of treatment effect achieved with a fixed-dose schedule was also maintained for all dose groups combined at week 32 (a 137 micron mean decrease versus baseline, $p<0.0001$).

In this double-masked, prospective, randomized, multi-center Phase 2 trial, 157 patients were randomized to five dose groups and treated with VEGF Trap-Eye in one eye. Two groups initially received monthly doses of 0.5 or 2.0 milligrams (mg) of VEGF Trap-Eye

for 12 weeks and three groups received quarterly doses of 0.5, 2.0, or 4.0 mg of VEGF Trap-Eye (at baseline and week 12). Following the initial 12-week fixed-dose phase of the trial, patients continued to receive therapy at the same dose on a PRN dosing schedule based upon the physician assessment of the need for re-treatment in accordance with pre-specified criteria. Patients were monitored for safety, retinal thickness, and visual acuity. These data represent the week 32 analysis from the 52-week study, which is continuing to follow patients.

Patients receiving monthly doses of VEGF Trap-Eye, either 0.5 or 2.0 mg, for 12 weeks followed by PRN dosing thereafter achieved mean improvements in visual acuity of 8.0 ($p<0.01$ versus baseline) and 10.1 letters ($p<0.0001$ versus baseline), respectively, and mean decreases in retinal thickness of 141 ($p<0.0001$ versus baseline) and 162 microns ($p<0.0001$ versus baseline) at week 32, respectively. While PRN dosing also maintained the improvements in retinal thickness and visual acuity achieved versus baseline following a fixed dosing regimen utilizing quarterly dosing at baseline and week 12, the results achieved with a quarterly fixed dosing regimen were generally not as robust as obtained with initial fixed monthly dosing.

VEGF Trap-Eye was generally safe and well tolerated and there were no drug-related serious adverse events. There was one reported case of culture-negative endophthalmitis/uveitis in the study eye, which was deemed not to be drug-related. The most common adverse events were those typically associated with intravitreal injections.

After the last fixed-dose administration at week 12, patients from all dose groups combined required, on average, only one additional injection over the following 20 weeks to maintain the visual acuity gain established during the fixed-dosing period. Notably, 55 percent of the patients who received 2.0 mg monthly for 12 weeks did not require any additional treatment throughout the next 20-week PRN dosing period. Moreover, 97 percent of the patients who received 2.0 mg monthly for 12 weeks did not require re-dosing at the week 16 evaluation visit, indicating that an 8-week dosing schedule may be feasible.

“Due to its high affinity for all isoforms of VEGF-A and PlGF, potent mediators of blood vessel overgrowth in wet AMD, as well as its long residence time in the eye, it is anticipated that VEGF Trap-Eye may be able to be dosed at a frequency less than once monthly, especially on a chronic basis, without compromising visual acuity,” stated Quan

Dong Nguyen, M.D., M.Sc.,* Assistant Professor of Ophthalmology, Wilmer Ophthalmological Institute, the Johns Hopkins University School of Medicine, Baltimore, MD and a primary investigator in the Phase 2 study. “These emerging Phase 2 clinical data seem to support the concept of durability of VEGF Trap-Eye.”

In this study, treatment with VEGF Trap-Eye was associated with a reduction in the size of the choroidal neovascular membrane (CNV), the lesion that is the underlying cause of vision loss due to wet AMD. Patients initially treated with a 0.5 mg or 2.0 mg monthly fixed dose for 12 weeks, followed by PRN dosing thereafter, experienced 1.55 mm^2 and 2.52 mm^2 reductions in mean CNV size at 24 weeks (the most recently available analysis from the independent reading center) versus baseline, respectively. Patients treated initially with fixed quarterly dosing also experienced an overall reduction in CNV size.

“Regression in CNV size is generally not seen when treating wet AMD patients. The reduction in CNV size achieved thus far with VEGF Trap-Eye treatment highlights the potential clinical utility of this investigational treatment in patients suffering from this devastating condition,” stated Jason Slakter, M.D., Clinical Professor of Ophthalmology, New York University School of Medicine, New York.

“These additional results underline that VEGF Trap-Eye has the potential to significantly reduce retinal thickness and improve vision,” said Dr. Gunnar Riemann, member of Bayer HealthCare’s Executive Committee. “The further development of this compound is important for millions of people worldwide, who suffer from this devastating ocular disease.”

About the Phase 3 Program in Wet AMD

Bayer HealthCare and Regeneron initiated a Phase 3 global development program for VEGF Trap-Eye in wet AMD in August 2007. In two Phase 3 trials, the companies are evaluating VEGF Trap-Eye using four- and eight-week dosing intervals in direct comparison with ranibizumab (Lucentis®, a registered trademark of Genentech, Inc.) administered every four weeks according to its label during the first year of the studies. PRN dosing will be evaluated during the second year of each study. The VIEW1 study is currently enrolling patients in the United States and Canada. The VIEW2 study has recently been initiated and will enroll patients in up to 200 centers in Europe, Asia Pacific, Japan, and Latin America. The companies are collaborating on the global development of VEGF Trap-Eye for the treatment of wet AMD, diabetic eye diseases, and other eye

diseases and disorders. Bayer HealthCare will market VEGF Trap-Eye outside the United States, where the companies will share equally in profits from any future sales of VEGF Trap-Eye. Regeneron maintains exclusive rights to VEGF Trap-Eye in the United States.

About VEGF Trap-Eye

Vascular Endothelial Growth Factor (VEGF) is a naturally occurring protein in the body whose normal role is to trigger formation of new blood vessels (angiogenesis) to support the growth of the body's tissues and organs. It has also been associated with the abnormal growth and fragility of new blood vessels in the eye, which lead to the development of wet AMD. The VEGF Trap-Eye is a fully human, soluble VEGF receptor fusion protein that binds all forms of VEGF-A along with the related Placental Growth Factor (PlGF). VEGF Trap-Eye is a specific and highly potent blocker of these growth factors. Blockade of VEGF, which can prevent abnormal blood vessel formation and vascular leak, has proven beneficial in the treatment of wet AMD and a VEGF inhibitor, ranibizumab, has been approved for treatment of patients with this condition.

About Wet AMD

Age-related Macular Degeneration (AMD) is a leading cause of acquired blindness. Macular degeneration is diagnosed as either dry (nonexudative) or wet (exudative). In wet AMD, new blood vessels grow beneath the retina and leak blood and fluid. This leakage causes disruption and dysfunction of the retina creating blind spots in central vision, and it can account for blindness in wet AMD patients. Wet AMD is the leading cause of blindness for people over the age of 65 in the U.S. and Europe.

About Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Bayer HealthCare, a subsidiary of Bayer AG, 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, Diabetes Care and Pharmaceuticals divisions. The pharmaceuticals business operates under the name Bayer Schering Pharma AG. Bayer HealthCare’s aim is to discover and manufacture products that will improve human and animal health worldwide. Find more information at www.bayerhealthcare.com.

About Bayer Schering Pharma

Bayer Schering Pharma is a worldwide leading specialty pharmaceutical company. Its research and business activities are focused on the following areas: Diagnostic Imaging, Hematology/Cardiology, Oncology, Primary Care, Specialized Therapeutics and Women's Healthcare. With innovative products, Bayer Schering Pharma aims for leading positions in specialized markets worldwide. Using new ideas, Bayer Schering Pharma aims to make a contribution to medical progress and strives to improve the quality of life. Find more information at www.bayerscheringpharma.de.

Bayer AG, Investor Relations contacts:

Dr. Alexander Rosar (+49-214-30-81013)
Dr. Juergen Beunink (+49-214-30-65742)
Peter Dahlhoff (+49-214-30-33022)
Ilia Kürten (+49-214-30-35426)
Ute Menke (+49-214-30-33021)
Judith Nestmann (+49-214-30-66836)
Dr. Olaf Weber (+49-214-30-33567)

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(*) The assessment made by Dr. Nguyen does not necessarily imply endorsement by the Johns Hopkins University, the Johns Hopkins Hospital, or the Johns Hopkins Medical Institutions.