Bayer

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Investor News

Age-related Macular Degeneration (AMD):

Bayer HealthCare Announces Positive Phase 2 Results for the VEGF Trap-Eye

Data presented at the Retina Society Conference in Boston

Leverkusen, October 1, 2007 – Bayer HealthCare and development partner Regeneron Pharmaceuticals, Inc. today announced positive results from a Phase 2 study evaluating the VEGF Trap-Eye in the neovascular form of age-related macular degeneration (wet AMD), one of the leading causes of blindness in adults. The VEGF Trap-Eye met both the primary study endpoint of a statistically significant reduction in retinal thickness and the key secondary endpoint of improvement of visual acuity after 12 weeks. Detailed findings were presented at the Retina Society Conference in Boston, MA.

In this double-masked, prospective, randomized, multi-center Phase 2 trial, 157 patients were randomized to five groups and treated with the VEGF Trap-Eye in one eye. Two groups received monthly doses of 0.5 or 2.0 milligrams (mg), and three groups received quarterly doses of 0.5, 2.0, or 4.0 mg of the VEGF Trap-Eye (at baseline and week 12). Patients were monitored for safety, retinal thickness and visual acuity.

The VEGF Trap-Eye met the primary study endpoint of a statistically significant reduction in retinal thickness,a measure of disease activity, after 12 weeks of treatment compared with baseline (all five dose groups combined: mean decrease of 119 microns, $p<0.0001$). The mean change from baseline in visual acuity, a key secondary endpoint of the study, also demonstrated a statistically significant improvement (all groups combined: increase of 5.7 letters, $p<0.0001$).

There were no drug-related ocular or systemic serious adverse events (SAE) reported. Treatment with the VEGF Trap-Eye was generally well tolerated. The most common adverse events were those typically associated with intravitreal injections.

All study participants received a further dose at week 12 and preliminary week 16 results showed that retinal thickness for all groups combined continued to improve with a mean decrease of 159 microns versus baseline ($p<0.0001$). The mean change from baseline in visual acuity also continued to improve (all groups combined: increase of 6.6 letters versus baseline, $p<0.0001$).

Further exploratory analyses in subgroups of patients were conducted which may provide some additional insight into the use of the VEGF Trap-Eye in AMD patients. The data are available on the Regeneron website: www.regeneron.com.

About the Phase 3 Program in Wet AMD

Regeneron and Bayer HealthCare AG initiated a Phase 3 global development program for the VEGF Trap-Eye in wet AMD in August of this year. The first Phase 3 trial, VIEW 1 (**V**EGF Trap: **I**nvestigation of **E**fficacy and safety in **W**et age-related macular degeneration) is currently being enrolled. In VIEW 1, the companies will evaluate the 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.

About the VEGF Trap-Eye

The vascular endothelial growth factor (VEGF) is a naturally occurring protein in the body whose normal role is to trigger the formation of new blood vessels (angiogenesis) to support the growth of body tissue 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). The VEGF Trap-Eye is a specific and highly potent blocker of these growth factors. Blockade of VEGF can prevent abnormal blood vessel formation as well as vascular leak and has proven beneficial in the treatment of wet AMD. One VEGF inhibitor, ranibizumab, has been approved for treatment of patients with this condition.

The companies are collaborating on the global development of the VEGF Trap-Eye for the treatment of wet AMD, diabetic eye diseases as well as other eye diseases and disorders.

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

About Wet AMD
Age-related macular degeneration (AMD) is a leading cause of acquired blindness. Macular degeneration is diagnosed as either dry (non-exudative) 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.

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.

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Forward-Looking Statements
This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group 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 our annual and interim reports to the Frankfurt Stock Exchange and in our reports filed with the U.S. Securities and Exchange Commission (including our Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.