EraGen Biosciences and Bayer HealthCare LLC, Diagnostics Division, Announce Agreements for New Cystic Fibrosis (CF) Assay
05/18/2005

EraGen Biosciences, a rapidly growing molecular diagnostics company and Bayer HealthCare LLC, Diagnostics Division, a member of the Bayer Group (NYSE:BAY) announced today that EraGen has licensed its patented MultiCode-PLx System to Bayer HealthCare in an exclusive worldwide agreement for Cystic Fibrosis. Bayer HealthCare will provide laboratories with a rapid, easy-to-use Cystic Fibrosis assay capable of being automated for mutation carrier screening, as well as for neonatal and newborn testing.

The agreement also provides Bayer HealthCare with additional rights enabling Bayer HealthCare to expand its presence in the genetics-based diagnostics testing market with a number of assays for other disease states.

Cystic Fibrosis and the Importance of Genetic Codes
Understanding variations in the human genetic code is vital to the development of new medical diagnostic and therapeutic products. Genetic tests look for abnormalities in a person's genes. According to the Cystic Fibrosis Foundation, Cystic Fibrosis is a genetic disease affecting about 30,000 children and adults in the United States with more than 1,000 new cases each year. It affects some 60,000 individuals worldwide.

Cystic Fibrosis is the most common inherited (autosomal recessive) disease in the Caucasian population. The disease is characterized by the body's production of abnormally thick, sticky mucus that clogs the lungs and leads to life-threatening lung infections. These thick secretions also obstruct the pancreas, preventing digestive enzymes from reaching the intestines to help break down and absorb food. Additional complications later in life include diabetes and osteoporosis. The median life expectancy of those individuals diagnosed with Cystic Fibrosis is the early-30's.

If a child inherits a defective gene from only one parent, the child will be an asymptomatic carrier of the disease gene. More than 10 million Americans, one in every 31, are asymptomatic carriers of the defective gene, according to the American College of Obstetricians and Gynecologists. If the child inherits two defective genes (one from each parent), then the child will have Cystic Fibrosis.
EraGen's MultiCode-PLx platform is an extremely cost-effective, high throughput genotyping system that simultaneously tests for predetermined mutations of the gene associated with Cystic Fibrosis, the cystic fibrosis transmembrane conductance regulator (CFTR) gene. Leveraging isobases, the test substantially reduces the time for cystic fibrosis multi-mutation analysis when compared to other testing systems currently available. The MultiCode-PLx System allows Bayer HealthCare customers to enhance their level of Cystic Fibrosis clinical testing by reducing errors, providing faster turn around times and decreasing labor requirements.

"Current advancements in genetic and molecular diagnostics are transforming the realm of clinical laboratory medicine," stated Tony Bihl, President of Bayer HealthCare's Diagnostics Division. "Today's laboratories face mounting pressure to keep pace with escalating testing demands, while supporting the novel testing needs of the healthcare enterprise. Automated, genetic diagnostics assays, including Cystic Fibrosis, are vital for the laboratory to take advantage of clinical progress, while maintaining lab efficiencies and providing timely, reliable clinical information."

"We are excited to partner with Bayer HealthCare on the commercial expansion of our MultiCode product line. Bayer HealthCare previously licensed EraGen's technology for use in its FDA approved HIV, HCV, and Hepatitis B Versant assays. These new agreements with Bayer HealthCare further validate our novel technology and acknowledge our ability to develop fast and effective molecular diagnostic products. Bayer HealthCare and EraGen--an emerging fast paced developer--are two companies bringing individual strengths together to better serve the clinical diagnostic market and improve patient outcomes," said Dr. Irene Hrusovsky, President and CEO of EraGen Biosciences.

"This new Cystic Fibrosis assay is only the first of a wide range of disease-specific MultiCode tests to come. This is a great day for EraGen," said Dr. James Prudent, Chief Scientific Officer, at EraGen.


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 public reports filed with the Frankfurt Stock Exchange and 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.

About EraGen Biosciences
Based in Madison, Wisconsin, EraGen Biosciences is driving innovative molecular diagnostics and drugs to market faster. The company develops and commercializes high performance automated molecular diagnostics and drug discovery products to serve the rapidly growing market for personalized medicine and rapid response needs for bioterrorism. Further information is available at www.eragen.com, or 608-662-9000.
About Bayer HealthCare, Diagnostics Division
Bayer HealthCare, Diagnostics Division (www.bayerdiag.com), based in Tarrytown, New York, U.S.A., is one of the largest diagnostic businesses in the world. The organization supports customers in 100 countries through an extensive portfolio of laboratory testing, molecular testing and near patient care diagnostics systems and services for use in the assessment and management of health, including the areas of cardiovascular and kidney disease, oncology, virology and women's health. Bayer HealthCare Diagnostics Division's global headquarters in the United States operates as part of Bayer HealthCare LLC, a member of the worldwide Bayer HealthCare group.

About Bayer HealthCare AG
Bayer HealthCare AG, a subsidiary of Bayer AG, is one of the world's leading, innovative companies in the health care and medical products industry. In 2004, the Bayer HealthCare subgroup generated sales amounting to some 8.5 billion Euro. The company combines the global activities of the divisions Animal Health, Biological Products, Consumer Care, Diabetes Care, Diagnostics and Pharmaceuticals. Bayer HealthCare employed 35,300 people worldwide in 2004. Bayer HealthCare's aim is to discover and manufacture innovative products that will improve human and animal health worldwide. The products enhance well-being and quality of life by diagnosing, preventing and treating disease.

For additional information contact:
Regina Reynolds
Director Corporate Communications
EraGen Biosciences, Inc.
608-662-9000 ext. 306
rreynolds@eragen.com

PR0503