



Bayer Inc.

**PRESS RELEASE**  
**For immediate distribution**

*Major investment in women's health*

**UP TO \$330M CAD INTERNATIONAL PARTNERSHIP BETWEEN  
BAYER HEALTHCARE PHARMACEUTICALS AND ENDOCEUTICS INC.**

**Québec, October 5, 2010** – Bayer HealthCare Pharmaceuticals (Bayer) and EndoCeutics Inc., Québec, are proud to announce the signing of an exclusive international collaborative agreement for Phase III development and marketing of Dehydroepiandrosterone (DHEA), a new treatment for vaginal atrophy and female sexual dysfunction.

Bayer's partnership with EndoCeutics Inc. may mean up to approximately \$330 million dollars CAD in milestones and research costs. To this amount will be added royalties based upon the sales of the compound by Bayer. This agreement includes financing for clinical trials in Canada and the United States and will be paid to EndoCeutics Inc.

"Our partnership with EndoCeutics provides us with an important late stage addition to our Gynecological Therapy R&D pipeline in an important, underdeveloped treatment area relating to female sexual dysfunction," said Dr. Shurjeel Choudhri, Senior Vice President & Head, Medical and Scientific Affairs, Bayer Inc. "This will prove to be mutually beneficial for both companies and allow us to grow our research and development footprint in Quebec."

Research by EndoCeutics Inc. has identified DHEA as a major factor in the hormonal deficit underlying menopausal problems. Dr. Fernand Labrie, President and CEO, EndoCeutics Inc., and his team found that decreased levels of DHEA cause menopausal symptoms, which in the majority of women include vaginal atrophy and sexual dysfunction.

"EndoCeutics is excited that this treatment could potentially improve the quality of life for more than 360 million women worldwide, including five million Canadians, who are aged 50 and over who suffer from vaginal atrophy. Up to seventy-five percent of post-menopausal women suffer from vaginal atrophy. We believe that Bayer, a world leader in women's health, is the best partner for this partnership and the commercialization of this product worldwide," said Dr. Labrie.

EndoCeutics Inc. will head the Phase III clinical studies on DHEA against vaginal atrophy and sexual dysfunction. Bayer will follow up by obtaining licensing and then commercializing the developed therapies. Under the terms of this agreement, EndoCeutics Inc. grants Bayer the exclusive worldwide licence for developing, manufacturing and marketing DHEA. However, EndoCeutics Inc. has reserved an option to commercialize in Canada.

Authorization to market the EndoCeutics product has not yet been obtained in Canada or the rest of the world. DHEA is expected to be trademarked as Vaginorm™, subject to approval by health authorities. The safety and efficacy of the EndoCeutics product is being assessed.

**About EndoCeutics Inc.**

EndoCeutics Inc. is a Québec-based biopharmaceutical company that develops innovative hormonal and physiological therapies in order to treat hormonal disorders affecting post-menopausal women, and to treat and prevent breast cancer. EndoCeutics and its parent company EndoRecherche have invested over \$160 million in Québec City to develop products up to the final stage of development. EndoRecherche’s contracts and activities in Québec City have been instrumental in the remarkable success of the development of research at Laval University and its hospital’s research centre (CRCHUL).

For more information:

[www.fernandlabrie.com](http://www.fernandlabrie.com) or [www.endoceutics.com](http://www.endoceutics.com)

**About Bayer Inc.**

Bayer Inc. is a Canadian subsidiary of Bayer AG, an international research-based group with core businesses in health care, crop science and innovative materials. Headquartered in Toronto, Ontario, Bayer Inc. operates the Bayer Group’s Health Care and Material Science businesses in Canada. Bayer CropScience Inc., headquartered in Calgary, Alberta, operates as a separate legal entity in Canada. Together, the companies play a vital role in improving the quality of life for Canadians – producing products that fight diseases, protecting crops and animals, and developing high-performance materials for applications in numerous areas of daily life. Canadian Bayer facilities include the Toronto headquarters and offices in Montreal and Calgary.

Bayer Inc. has approximately 800 employees across Canada and had sales of \$853 million CDN in 2009. Globally, the Bayer Group had sales of over 31 billion Euro in 2009. Bayer Inc. invested approximately \$50 million CDN in research and development in 2009. Worldwide, the Bayer Group spent the equivalent of over 2.7 billion Euros in 2009 in R&D. For more information, go to [www.bayer.ca](http://www.bayer.ca).

### **Bayer: Science for a Better Life**

Bayer is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. The company's products and services are designed to benefit people and improve their quality of life. At the same time Bayer creates value through innovation, growth and higher earning power. The Group is committed to the principles of sustainable development and to its role as a socially and ethically responsible corporate citizen. Economy, ecology and social responsibility are corporate policy objectives of equal rank. In fiscal 2009, Bayer employed 108,400 people and had sales of €31.2 billion. Capital expenditures amounted to €1.7 billion, R&D expenses to €2.7 billion. For more information [www.bayer.com](http://www.bayer.com).

### **Forward-Looking Statements**

This news 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 public reports which are available on the Bayer website at [www.bayer.com](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

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