



## **ETIOLOGICS ACQUIRES BAYER UK PRE-CLINICAL RESPIRATORY RESEARCH GROUP**

**Oxford, UK, 16 June 2003.....Etiologics Ltd, the gene to drug discovery company, has acquired the core UK pre-clinical respiratory research group from Bayer. This comprises nearly 20 staff, with over 2 decades of respiratory research experience. The acquisition also brings fully validated, industrial scale respiratory disease models, unique and proprietary automated image and screening technologies, plus laboratory and informatics assets to the Company.**

The ex-Bayer team has world leading expertise in discovering drugs to treat chronic respiratory disorders, including chronic obstructive pulmonary disease (COPD) and cystic fibrosis (CF). Etiologics will enhance the existing COPD and CF research through the application of its unique target validation platform, *EtioProfiler*, to deliver innovative therapies which, unlike current treatments, address the underlying causes of these chronic diseases. Etiologics has already identified COPD and CF drug targets and it is setting up a number of programmes to identify potential drug candidates which address these targets. In 2001 the worldwide market for COPD therapies was valued at Euro 2.5 billion and that for CF treatments is projected to reach Euro 960 million by 2010.

Dr Chris Ashton, Chief Executive Officer of Etiologics commented ‘This is an important strategic step for Etiologics as it gives us a strong competitive position in anti-inflammatory approaches to COPD and CF research within nine months of our inception. Our strategy is to progress most drug candidates derived from this research to Phase I and then to partner with pharmaceutical companies to progress them to market. Selected candidates with Orphan Drug potential may be retained and developed in-house.’

'In order to fully leverage our respiratory capabilities and gain an early revenue stream we will also enter a limited number of semi-exclusive collaboration agreements with pharmaceutical companies to give them access to our assays, screens, imaging capabilities and disease models. We have already signed the first such agreement and we are in detailed discussions with other leading respiratory companies.'

Dr Jan-Anders Karlsson, Executive VP Bayer Pharma Research commented 'We are pleased that our excellent UK pre-clinical respiratory research team has joined Etiologics and retained a significant number of staff. While Bayer regrets losing such a team, this move forms part of our overall Group restructuring programme and we have proactively encouraged their continued role in drug discovery. We wish our ex Bayer team and Etiologics every success for the future'.

Etiologics is a dynamic drug discovery company which is exploiting its unique and superior pre-clinical *in vivo* disease models and target validation capabilities to further the understanding of human disease and to promote the efficient discovery and development of new, effective treatments.

Etiologics is the only company in the field of pre-clinical and Phase I respiratory research to offer a complete, fully operational target validation capability. This expertise is integrated with comprehensive drug candidate efficacy evaluation to further enhance drug discovery.

In addition to partnerships, Etiologics is applying its expertise to its own pioneering drug discovery programmes which are focused on COPD, CF and diabetes. The company aims to enter pre-clinical drug discovery programmes by mid 2003 and to progress one or more candidates into development by mid 2005.

ENDS

**For more information contact:**

**Nicki Brimicombe – NB Public Relations + 44 (0) 1883 732353**

**Chris Ashton – Etiologics + 44 (0) 1235 841450**