Bayer

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Investor News

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Bayer HealthCare and Onyx Pharmaceuticals Restructure Global Oncology Partnership

Settlement in Litigation Reached

Leverkusen, October 12, 2011 – Today Bayer HealthCare and Onyx Pharmaceuticals, Inc. restructured their partnership for the global development and marketing of Nexavar® (sorafenib) tablets and entered into a new agreement related to regorafenib, a late-stage oncology compound.

Under the terms of the agreements, regorafenib is a Bayer compound, and Bayer will have the final decision-making authority for global development and commercialization. Onyx will receive a royalty on any future global net sales of regorafenib in oncology. In addition, Bayer will contract the Onyx sales force to promote regorafenib, along with Bayer sales representatives, in the United States.

The status of Nexavar under the revised Collaboration Agreement remains largely unchanged. Bayer and Onyx are free to use their respective Nexavar sales forces to promote regorafenib and additional products outside of the collaboration in the future. Bayer will purchase Onyx's royalty rights for sales of the product in Japan in exchange for a one-time payment to Onyx. Bayer will have no obligation to pay royalties to Onyx after December 31, 2011. Further, in the event of a change of control or acquisition of Onyx, the current profit-sharing, co-development and U.S. co-promotion of Nexavar will be preserved.

"These agreements set the stage for the next chapter in our successful partnership," said Dr. Joerg Reinhardt, Chairman of the Bayer HealthCare Executive Committee. "Innovation is central to Bayer's mission 'Science for a Better Life,' and our ongoing collaboration with Onyx demonstrates the priority we place on working with partners to identify, develop and commercialize new medicines to meet unmet or under-served medical needs."

“These new agreements strengthen the collaboration and provide Onyx the opportunity to participate significantly in the market potential of regorafenib,” said N. Anthony Coles, M.D., President and Chief Executive Officer of Onyx Pharmaceuticals. “Together we are taking our collaboration to the next level by more effectively structuring our future working relationship. Onyx and Bayer are committed to benefitting patients worldwide and ensuring that the potential of both Nexavar and regorafenib is fully realized.”

These agreements also settle and dismiss all claims related to the complaint filed by Onyx against Bayer Corporation and Bayer A.G. in the U.S. District Court (Case No. CV09-2145 MHP).

About Nexavar®

Nexavar®, an oral anti-cancer therapy for liver cancer and for the treatment of patients with advanced kidney cancer, is currently approved in more than 100 countries worldwide. In Europe, Nexavar is approved for the treatment of hepatocellular carcinoma and for the treatment of patients with advanced renal cell carcinoma (RCC) who have failed prior interferon-alpha or interleukin-2 based therapy or are considered unsuitable for such therapy.

Nexavar inhibits processes involved in both the tumor cell and tumor vasculature. In preclinical studies, Nexavar has been shown to target members of two classes of kinases known to be involved in both cell proliferation (growth) and angiogenesis (blood supply) – two important processes that enable cancer growth. These kinases included Raf kinase, VEGFR-1, VEGFR-2, VEGFR-3, PDGFR B, KIT, FLT-3 and RET.

Nexavar is also being evaluated in other cancers by Bayer Healthcare, Onyx Pharmaceuticals, international study groups, government agencies and individual investigators.

About Regorafenib

Regorafenib is an investigational oral multi-kinase inhibitor of angiogenic, stromal and oncogenic receptor tyrosine kinases (TK). Regorafenib inhibits angiogenic kinases like receptors for VEGF which play central roles in angiogenesis. It also inhibits various oncogenic kinases including RAF, RET as well as stromal kinases such as KIT and PDGF, thereby helping to stop the proliferation of cancer cells. Regorafenib has shown

antitumor activity in preclinical studies by inhibiting tumor growth in multiple xenograft models via antiangiogenic and antiproliferative mechanisms. Based on these results, regorafenib is currently being investigated in clinical trials for its potential to treat patients with various tumor types.

Regorafenib is an investigational agent and is not approved by the United States Food and Drug Administration (FDA), the European Medical Association (EMA) or other Health Authorities.

About Onyx Pharmaceuticals, Inc

Based in South San Francisco, California, Onyx Pharmaceuticals, Inc. is a global biopharmaceutical company engaged in the development and commercialization of innovative therapies for improving the lives of people with cancer and other serious diseases. The company is focused on developing novel medicines that target key molecular pathways. For more information about Onyx, visit the company's website at www.onyx-pharm.com.

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 subgroup of Bayer AG with annual sales of EUR 16.9 billion (2010), 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, Medical Care and Pharmaceuticals divisions. Bayer HealthCare's aim is to discover and manufacture products that will improve human and animal health worldwide. Bayer HealthCare has a global workforce of 55,700 employees (Dec 31, 2010) and is represented in more than 100 countries. Find more information at www.bayerhealthcare.com.

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