



For Immediate Release

OncoMed Pharmaceuticals and Bayer Schering Pharma Announce Strategic Alliance to Develop Anti-Cancer Stem Cell Therapeutics

Companies Collaborate to Discover and Develop Multiple Antibody, Protein and Small Molecule Agents Targeting the Wnt Pathway

Redwood City, CA – June 17, 2010 - OncoMed Pharmaceuticals, Inc. and Bayer Schering Pharma AG, Germany, today announced a global strategic alliance to discover, develop and commercialize novel anti-cancer stem cell therapeutics targeting the Wnt signaling pathway. Cancer stem cells are a subset of tumor cells believed to play a significant role in the establishment, metastasis and recurrence of cancer.

The strategic alliance leverages OncoMed's leadership in cancer stem cell drug discovery and development. Under the terms of the agreement, Bayer and OncoMed will develop antibodies, protein therapeutics, and small molecules as potential novel anti-cancer stem cell therapeutics targeting the Wnt signaling pathway. In addition to an upfront cash payment of \$40 million, OncoMed is eligible to receive cash payments for product candidates that Bayer Schering Pharma options and possible additional payments upon achievement of certain development and commercialization milestones described below. The collaboration could potentially include up to five compounds. The agreement includes potential significant near-term milestone payments from Bayer.

OncoMed will utilize its proprietary human cancer stem cell models to discover and advance antibody and protein therapeutics through Phase I clinical studies. Bayer Schering Pharma receives an option to exclusively license antibody and protein therapeutic product candidates at any point up to the completion of Phase I testing. Following option exercise, Bayer will lead development and commercialization of licensed product candidates. For each biotherapeutic drug candidate successfully developed through Phase III clinical trials and regulatory approval, OncoMed's payments could total up to \$387.5 million per program, including potential net sales milestones upon successful commercialization of biotherapeutic products. In addition, OncoMed will be eligible to receive double-digit royalties on net product sales. The agreement contains provisions under which OncoMed may co-develop antibody and protein therapeutics with Bayer. The collaboration includes OncoMed's lead Wnt pathway antibody, OMP-18R5, which is currently planned to enter clinical testing in 2011.

In addition, Bayer will lead the discovery and advancement of small molecule therapeutic candidates that modulate Wnt pathway signaling. OncoMed will assist Bayer in the evaluation and advancement of small molecule candidates, and is eligible to receive milestone payments of up to \$112 million per candidate upon successful development and regulatory approval, including potential net sales milestones upon successful commercialization of small molecule products. In addition, OncoMed will be eligible to receive single-digit royalties on net product sales.

“At Bayer, we recognize the high unmet medical need for cancer treatments. This collaboration with OncoMed demonstrates our commitment to the development of new and innovative treatment options,” said Prof. Andreas Busch, Head of Global Drug Discovery and Member of the Board of Management at Bayer Schering Pharma. “The development of anti-cancer stem cell therapeutics together with OncoMed is a highly innovative approach with the potential to perfectly complement our oncology portfolio. Anti-cancer stem cell research could turn out as one of the missing pieces in today’s cancer therapy.”

“Our alliance with Bayer represents a major opportunity to discover and develop an entirely new class of anti-cancer stem cell therapeutics with one of the leading pharmaceutical companies in the world. Bayer shares our vision for the potential of anti-cancer stem cell therapeutics, and we look forward to working closely with them,” said Paul J. Hastings, President and CEO of OncoMed. “OncoMed has established a rich pipeline of product candidates targeting a number of critical cancer stem cell pathways. Through this collaboration, we will gain significant additional funding to support the discovery and development of therapeutics targeting the Wnt pathway, as we continue, with our already strong cash position and our other sources of collaborative revenue, to fully finance and advance all of our programs for years to come.”

About Cancer Stem Cells and the Wnt Signaling Pathway

Cancer stem cells, a small, resilient subset of cells found in tumors, have the capacity to self-renew and differentiate, leading to tumor initiation and driving tumor growth, recurrence and metastasis. Also referred to as “tumor-initiating cells”, these cells were first discovered by OncoMed’s scientific founders in breast cancer and have subsequently been identified in many other types of solid tumor cancers, including cancer of head and neck, lung, prostate, pancreas, and glioblastoma. Cancer stem cells appear to be preferentially resistant to both standard chemotherapy and radiotherapy. OncoMed’s strategy is to improve cancer treatment by specifically targeting the key biologic pathways which are thought to be critical to the activity and survival of cancer stem cells. OncoMed’s antibody therapeutics target cancer stem cell proteins and have the potential to be developed against a range of solid tumor types.

The Wnt signaling pathway is one of several identified by OncoMed as an important therapeutic target in halting cancer stem cell activity. In preclinical studies of monoclonal antibody drug candidates that target Wnt signaling, OncoMed scientists have observed broad-spectrum anti-tumor and anti-cancer stem cell activity in a number of solid tumor types.

About Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of healthcare, 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, Bayer Schering Pharma, Consumer Care and Medical Care divisions. Bayer HealthCare's aim is to discover, manufacture and market products that will improve human and animal health worldwide. Find more information at www.bayerhealthcare.com.

About Bayer Schering Pharma

Bayer Schering Pharma is a worldwide leading specialty pharmaceutical company. Its research and business activities are focused on the following areas: Diagnostic Imaging, General Medicine, Specialty Medicine 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.

About OncoMed Pharmaceuticals

OncoMed Pharmaceuticals is a clinical-stage company that discovers and develops novel therapeutics targeting cancer stem cells, the cells believed to be capable of driving tumor growth, recurrence and metastases. A leader in cancer stem cell research, the company has established a library of antibodies to cancer stem cell proteins for the treatment of solid tumors such as pancreatic, breast, colorectal and lung cancers. OncoMed's lead candidate, OMP-21M18, is currently in Phase I clinical trials. In addition to OMP-21M18, OncoMed's pipeline includes several novel preclinical product candidates targeting multiple validated cancer stem cell pathways. Privately-held, OncoMed's investors include: US Venture Partners, Latterell Venture Partners, The Vertical Group, Morgenthaler Ventures, Nomura Phase4 Ventures, Delphi Ventures, Adams Street Partners, De Novo Ventures, Bay Partners and GlaxoSmithKline. Additional information can be found at the company's website: www.oncomed.com.

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