



News Release

Bayer and Ardea Biosciences Enter Global Agreement Focused on the Development of MEK Inhibitors for the Treatment of Cancer

Berlin, April 28, 2009 – Bayer HealthCare AG, Germany has entered into a global agreement with Ardea Biosciences, Inc., San Diego California, USA (Nasdaq: RDEA) focused on the development of small molecule mitogen-activated ERK kinase (MEK) inhibitors for the treatment of solid tumors. These kinases are believed to play an important role in cancer cell proliferation, apoptosis and metastasis, as well as inflammation. The lead compound in this program, RDEA119, is currently being evaluated in advanced cancer patients of different tumor types as a single agent in a Phase I study as well as in combination with sorafenib (Nexavar[®], Bayer HealthCare, Onyx Pharmaceuticals) in a Phase I/II study.

“We are very excited about the potential use of MEK inhibitors to treat a broad range of cancer indications,” stated Kemal Malik, Head of Global Development and member of the Bayer HealthCare Executive Committee. “We are looking forward to working with Ardea’s team on the development of novel cancer treatments for patients.”

“RDEA119 has demonstrated compelling synergistic activity *in vitro* in combination with sorafenib, as well as other approved anti-cancer agents, and we look forward to working with Bayer as a globally successful company in the field of targeted anti-cancer therapies to evaluate multiple drug combinations in several cancer indications,” commented Barry D. Quart, Ardea’s president and chief executive officer.

Ardea will be responsible for the completion of the Phase I and Phase I/II studies currently being conducted for RDEA119. Thereafter, Bayer will be responsible for the further development and commercialization of RDEA119 and any of Ardea’s other MEK inhibitors. The agreement announced today is subject to all necessary authorizations, consents or clearances of governmental authorities.

Under the terms of the agreement, Ardea will grant Bayer a worldwide, exclusive license to develop and commercialize Ardea's MEK inhibitors for all indications. Potential payments to Ardea under the agreement could total up to \$407 million, not including royalties. This amount includes an upfront cash payment to Ardea of \$35 million, as well as additional cash payments upon achievement of certain development, regulatory and sales-based milestones. In addition, Ardea is also eligible to receive low double-digit royalties on sales of products under the agreement.

About MEK Inhibitors, and RDEA119

RDEA119, a small molecule, non-ATP competitive, highly-selective MEK inhibitor for the treatment of cancer and inflammatory diseases is Ardea's lead compound from its MEK inhibitor research and development program. MEK is believed to play an important role in cancer cell proliferation, apoptosis and metastasis, as well as inflammation. Preclinical and clinical results suggest that RDEA119 has favorable properties, including oral dosing, excellent selectivity and limited retention in the brain, which, in turn, may result in a reduced risk of central nervous system (CNS) side effects.

About Ardea Biosciences, Inc.

Ardea Biosciences, Inc., San Diego, California, is a biotechnology company focused on the discovery and development of small-molecule therapeutics for the treatment of gout, human immunodeficiency virus (HIV), cancer and inflammatory diseases. Ardea has five product candidates in clinical development for four indications and others in preclinical development and discovery.

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 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 and manufacture products that will improve human and animal health worldwide. Find more information at www.bayerhealthcare.com.

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.

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Forward-Looking Statements

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