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FOR IMMEDIATE RELEASE

ONYX PHARMACEUTICALS REPORTS

1999 FINANCIAL RESULTS AND EQUITY INVESTMENT

RICHMOND, CALIF. (March 2, 2000) -- Onyx Pharmaceuticals, Inc. (Nasdaq: ONXX) announced today the results of operations for the fourth quarter and year ended December 31, 1999. The company also announced the closing of a \$5 million equity investment by Warner-Lambert Company at a share price of \$17.89, as the first of two stock issuances in connection with the collaboration agreement signed in October 1999 for the co-development of ONYX-015.

The company reported a net loss of \$1,647,000, or \$0.14 per share for the quarter ended December 31, 1999 compared with a net loss of \$4,326,000, or \$0.38 per share for the same quarter in 1998. For the quarters ended December 31, 1999 and 1998, total revenue was \$6,601,000 and \$2,739,000, respectively. Revenue increased in the quarter ended December 31, 1999 by \$3,862,000 over the same period last year due primarily to ONYX-015 clinical development funding provided under the new collaboration agreement with Warner-Lambert Company. Revenue for both quarters also included amounts earned for research performed under the company's collaborations with Warner-Lambert for the

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cell cycle and inflammation programs as well as Bayer Corporation for the ras program. While the ras program transitioned from research funding to co-development of a clinical candidate, in December 1999, we completed the final deliverable under the research portion of the Bayer collaboration and recognized approximately \$1,600,000 of research revenue.

Total operating expenses for the quarters ended December 31, 1999 and 1998 were \$8,419,000 and \$7,408,000, respectively. Operating expenses increased in the quarter ended December 31, 1999 by \$1,011,000 over the same period last year due primarily to the progression of ONYX-015 clinical development and the preparation for Phase III clinical studies.

For the year ended December 31, 1999, the company reported a net loss of \$14,802,000, or \$1.29 per share, compared with a net loss of \$17,659,000, or \$1.56 per share, for the same period in 1998. For the years ended December 31, 1999 and 1998, total revenue was \$13,324,000 and \$11,314,000, respectively. This revenue represents amounts earned for research performed under the company's collaborations with its pharmaceutical partners. The increase in revenue in 1999 is due primarily to ONYX-015 clinical development funding provided under the new Warner-Lambert collaboration agreement.

Total operating expenses in 1999 of \$28,968,000 were \$1,690,000 less than in 1998. This decrease is primarily attributable to a reduced level of research activities associated with the transition of the ras program.

"Onyx greatly strengthened its financial position and reduced its burn rate in late 1999 through our collaboration agreement with Warner-Lambert Company to jointly develop and commercialize Onyx's Phase III anticancer product, ONYX-015, plus two additional armed anticancer viruses," said Hollings Renton, president and chief executive officer of Onyx Pharmaceuticals.

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(see attached tables)

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As of December 31, 1999, the company had cash, cash equivalents and short-term investments of approximately \$14,463,000. This included a \$5 million up-front payment received in the fourth quarter from Warner-Lambert as part of the ONYX-015 collaboration agreement.

“Since the end of 1999, we raised \$18 million through a private placement to four institutional investors in January, and we received a \$5 million equity investment by Warner-Lambert announced today,” Mr. Renton added. “These new financial resources will allow Onyx to further exploit the potential of our therapeutic virus platform to new products that selectively kill cancer cells based on specific mutations and on viruses that have been armed with anticancer genes for enhanced tumor destruction.”

Onyx Pharmaceuticals is discovering, developing and intends to commercialize novel cancer therapies based on the genetic mutations that cause the disease. The company pursues a strategy of establishing corporate partnerships that provide complementary skills in chemistry, drug development, and marketing and sales. The Onyx Web site address is: www.onyx-pharm.com.

This press release contains certain forward-looking statements regarding the development of potential human therapeutic products that involve a number of risks and uncertainties. Actual events may differ from the company’s expectations. In addition to the matters described in this press release, the timeline for clinical activity, results of pending or future clinical trials, including the trials of ONYX-015, and changes in the status of the company’s collaborative relationships, as well as the risk factors listed from time to time in the company’s periodic reports with the Securities and Exchange Commission, including but not limited to its Annual Report on Form 10-K, may affect the actual results achieved by the company.

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(see attached tables)

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(see attached tables)

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ONYX PHARMACEUTICALS, INC.
SUMMARY FINANCIAL INFORMATION

STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	1999	1998	1999	1998
Total revenue	\$ 6,601	\$ 2,739	\$ 13,324	\$ 11,314
Operating expenses:				
Research and development	7,079	6,074	23,627	25,383
General and administrative	1,340	1,334	5,341	5,275
Total operating expenses	8,419	7,408	28,968	30,658
Loss from operations	(1,818)	(4,669)	(15,644)	(19,344)
Interest income, net	171	343	842	1,685
Net loss	\$ (1,647)	\$ (4,326)	\$ (14,802)	\$ (17,659)
Basic and diluted net loss per share	\$ (0.14)	\$ (0.38)	\$ (1.29)	\$ (1.56)
Shares used in computing basic and diluted net loss per share	11,536	11,423	11,503	11,289

CONDENSED BALANCE SHEETS
(in thousands)

	Dec. 31,	Dec. 31,
	1999	1998
	(unaudited)	(1)
Assets		
Cash, cash equivalents and short-term investments	\$ 14,463	\$ 32,160
Other current assets	3,760	609
Total current assets	18,223	32,769
Property and equipment, net	3,000	3,730
Other assets	405	708
Total assets	\$ 21,628	\$ 37,207
Liabilities and stockholders' equity		
Current liabilities	\$11,450	\$ 13,178
Long-term obligations	2,516	2,410
Stockholders' equity	7,662	21,619
Total liabilities and stockholders' equity	\$ 21,628	\$ 37,207

(1) Derived from the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

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(see attached tables)

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