



Bayer and Algeta Enter Global Agreement for Development and Commercialization of Treatment for Bone Metastases in Cancer Patients

Phase III compound represents potential therapy for life-threatening condition

Leverkusen, September 3, 2009 – Bayer Schering Pharma AG, Germany has entered into a global agreement with Algeta ASA, Oslo, Norway for the development and commercialization of Alpharadin™, a novel alpha-emitting radiopharmaceutical, based on radium-223. Alpharadin is currently being evaluated in a global Phase III trial for the treatment of bone metastases in symptomatic hormone-refractory prostate cancer (HRPC) patients.

“We recognize the tremendous potential of Algeta’s Alpharadin as a possible treatment for bone metastases in cancer patients – a serious, life-threatening condition. The data we have seen suggest that Alpharadin may represent a highly targeted treatment option that could potentially extend overall survival with good tolerability, and offers convenient handling,” said Kemal Malik, Head of Global Development and member of the Board of Management of Bayer Schering Pharma AG. “Bayer is committed to its global oncology franchise and has made significant progress in building a comprehensive pipeline of promising compounds that may provide innovative therapies to cancer patients in need of treatment.”

Andrew Kay, CEO of Algeta, said: “In Bayer, we have found the world-class oncology company with a proven global track record of launching major cancer products. We are very excited about working with the Bayer team to deliver this novel and potentially first choice treatment option for cancer patients with bone metastases.”

Under the terms of the agreement, Bayer and Algeta will jointly develop Alpharadin, with Bayer contributing a substantial majority of the costs of future development. Bayer will

commercialize Alpharadin globally and Algeta will have the option to co-promote Alpharadin in the United States under a profit sharing arrangement. Algeta will be responsible for manufacturing and supply of the commercial product. Including an upfront payment of EUR 42.5 million, Algeta will receive cash payments upon achievement of certain development, manufacturing and commercialization milestones, totaling up to €560 million, and tiered double digit royalties on net sales.

About the Alpharadin Phase III Study

Alpharadin is currently being evaluated in a global Phase III clinical trial to determine the efficacy and safety of the compound in 750 patients with HRPC and skeletal metastases. The ALSYMPCA (**Alpharadin in Symptomatic Prostate Cancer**) trial is a randomized, double-blind, placebo-controlled study with overall survival (OS) as the primary efficacy endpoint.

About Alpharadin

Alpharadin (radium-223 chloride) represents a first in class opportunity of cancer therapy based on alpha-radiation, offering highly targeted treatment of bone metastases by delivering radiation directly to the tumor cells with low exposure to the surrounding tissue. While Alpharadin is currently being evaluated in patients with HRPC and skeletal metastases, the companies see potential in investigating Alpharadin for the treatment of bone metastases from other tumor types.

About Prostate Cancer and Skeletal Metastases

Worldwide, prostate cancer is the second most frequently diagnosed cancer in men and a leading cause of cancer-related death in men. In 2007, 450,000 new cases of prostate cancer were diagnosed. Bone metastases frequently occur in advanced stages in major cancers, such as HRPC, breast, lung, kidney, and thyroid cancers.

About Algeta

Algeta ASA is a cancer therapeutics company built on world-leading, proprietary technology. Algeta is developing a new generation of targeted cancer therapeutics (alpha-pharmaceuticals) that harness the unique characteristics of alpha particle emitters and are potent, well-tolerated and convenient to use. www.algeta.com

About Bayer Schering Pharma

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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