

Changing the Way Cancer is Treated[®]



Financial Results Call Full Year and Fourth Quarter 2009

February 23, 2010

NASDAQ:ONXX

FORWARD LOOKING STATEMENT

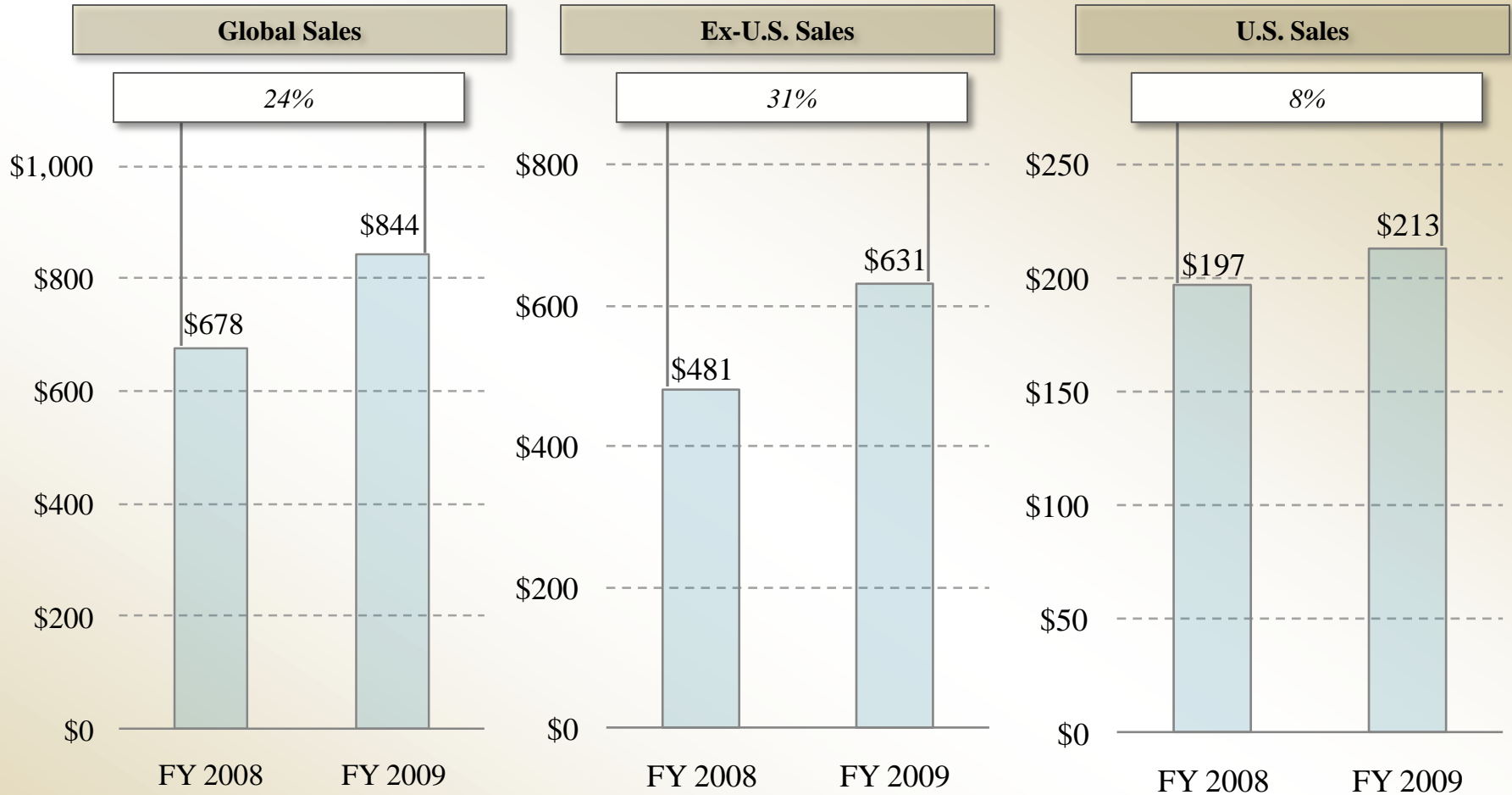
This presentation contains “forward-looking statements” of Onyx within the meaning of the federal securities laws. These forward-looking statements include, without limitation, statements regarding sales trends and commercial activities, the timing, progress and results of clinical development, regulatory filings and actions, the creation of opportunities for value creation and the integration of the operations and assets of Proteolix. These statements are subject to risks and uncertainties that could cause actual results and events to differ materially from those anticipated, including, but not limited to, risks and uncertainties related to: Nexavar being our only approved product; competition; failures or delays in our clinical trials; dependence on our collaborative relationship with Bayer; market acceptance and the rate of adoption of our products; pharmaceutical pricing and reimbursement pressures; serious adverse side effects, if they are associated with Nexavar; government regulation; possible failure to realize the anticipated benefits of business acquisitions or strategic investments; protection of our intellectual property; the indebtedness incurred through the sale of our 4.0% convertible senior notes due 2016; product liability risks; and the anticipated benefits of the acquisition of Proteolix. Reference should be made to Onyx’s Annual Report on Form 10-K for the year ended December 31, 2009 filed with the Securities and Exchange Commission, under the heading “Risk Factors.” Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this release. Onyx undertakes no obligation to update publicly any forward-looking statements to reflect new information, events, or circumstances after the date of this presentation except as required by law.

2009: A YEAR OF TRANSFORMATION

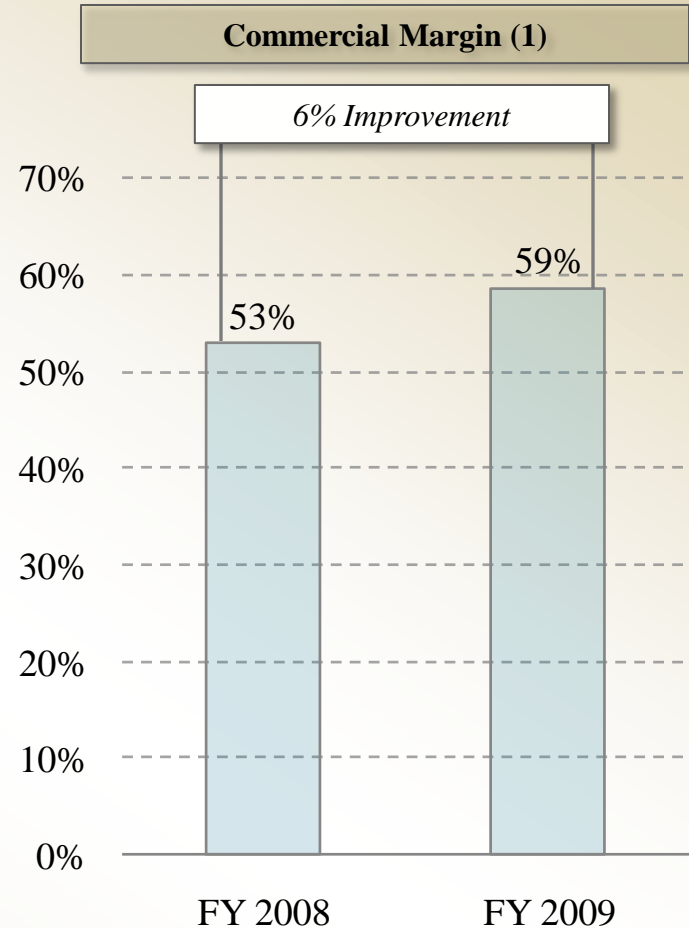
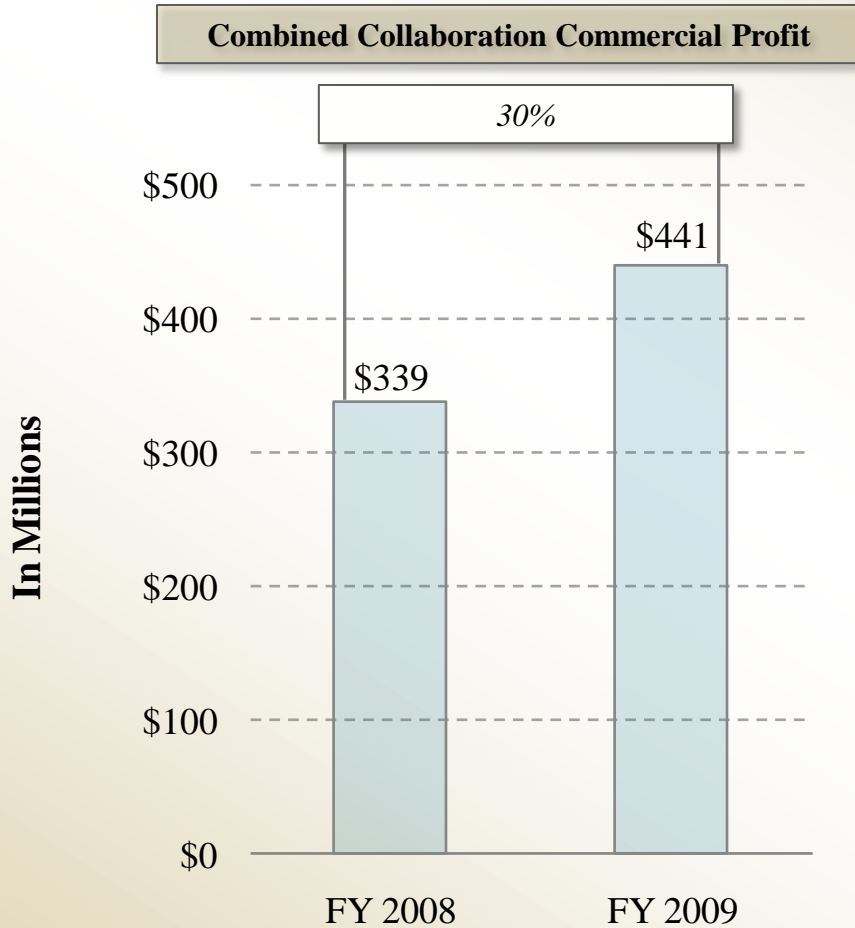
- ▶ Grew Nexavar sales globally: 24% year-over-year
- ▶ Delivered compelling data in potential new indications; expanded development program for Nexavar
 - Breast cancer data from two randomized Phase 2 combination studies
 - Ongoing Phase 3 trials in adjuvant liver and kidney; lung, and thyroid cancers
- ▶ Created broad portfolio of innovative compounds
 - Acquired Proteolix, expertise in proteasome inhibition, with 3 pipeline compounds
 - Carfilzomib: Phase 2b fully enrolled; potential to file NDA by end of 2010
 - ONX 0912, oral proteasome inhibitor: ready to move into clinical testing
 - ONX 0914, immunoproteasome inhibitor: encouraging preclinical data
 - ONX 0801 - Phase 1 initiated
 - CDK4/6 inhibitor - Pfizer advanced into Phase 2 clinical testing
- ▶ Managed and grew brand profitability and expanded margin
 - Generating cash flow to fuel further value creation

FY 2009 vs. FY 2008 RESULTS

NEXAVAR NET SALES

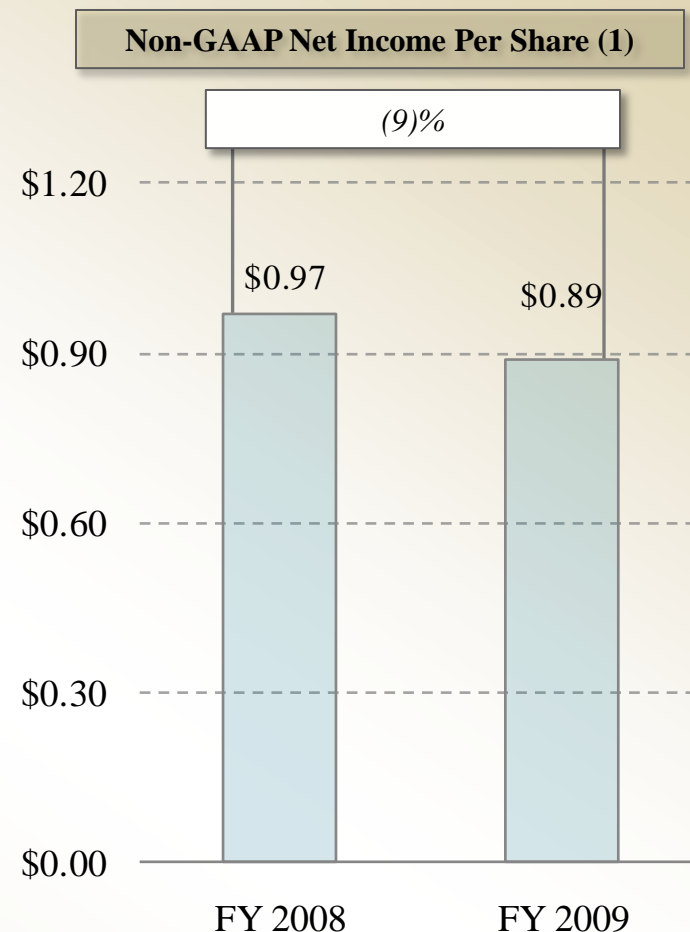
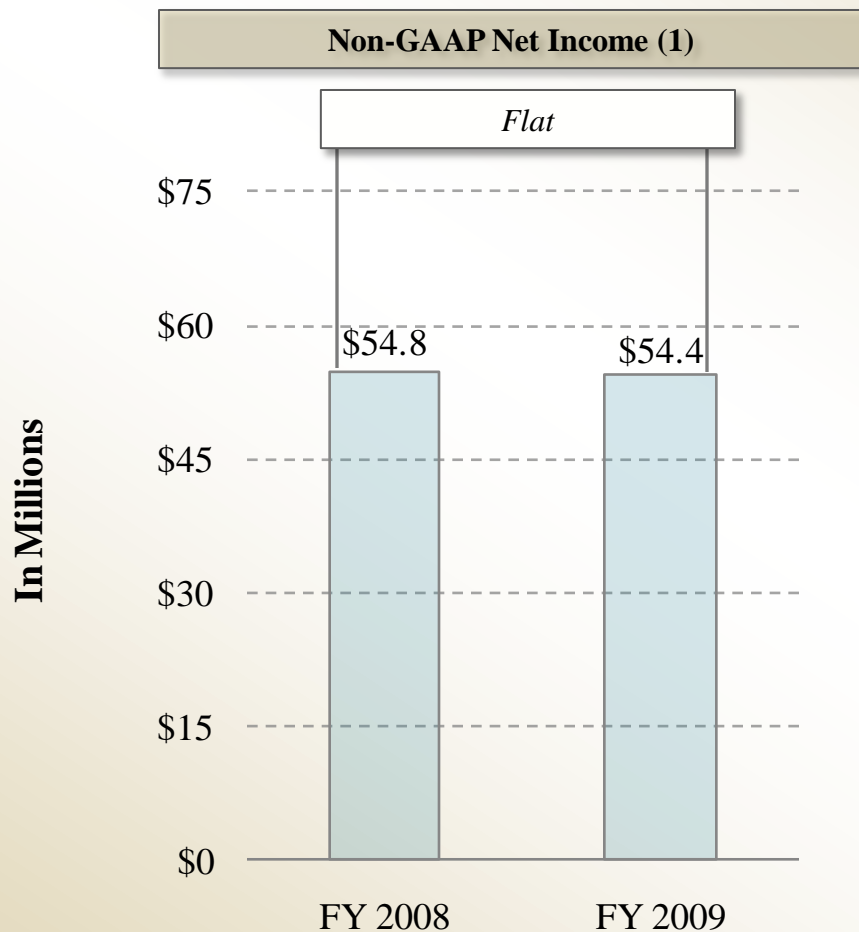


COMMERCIAL MARGIN



(1): Commercial margin calculated as combined collaboration commercial profit divided by revenue subject to profit sharing

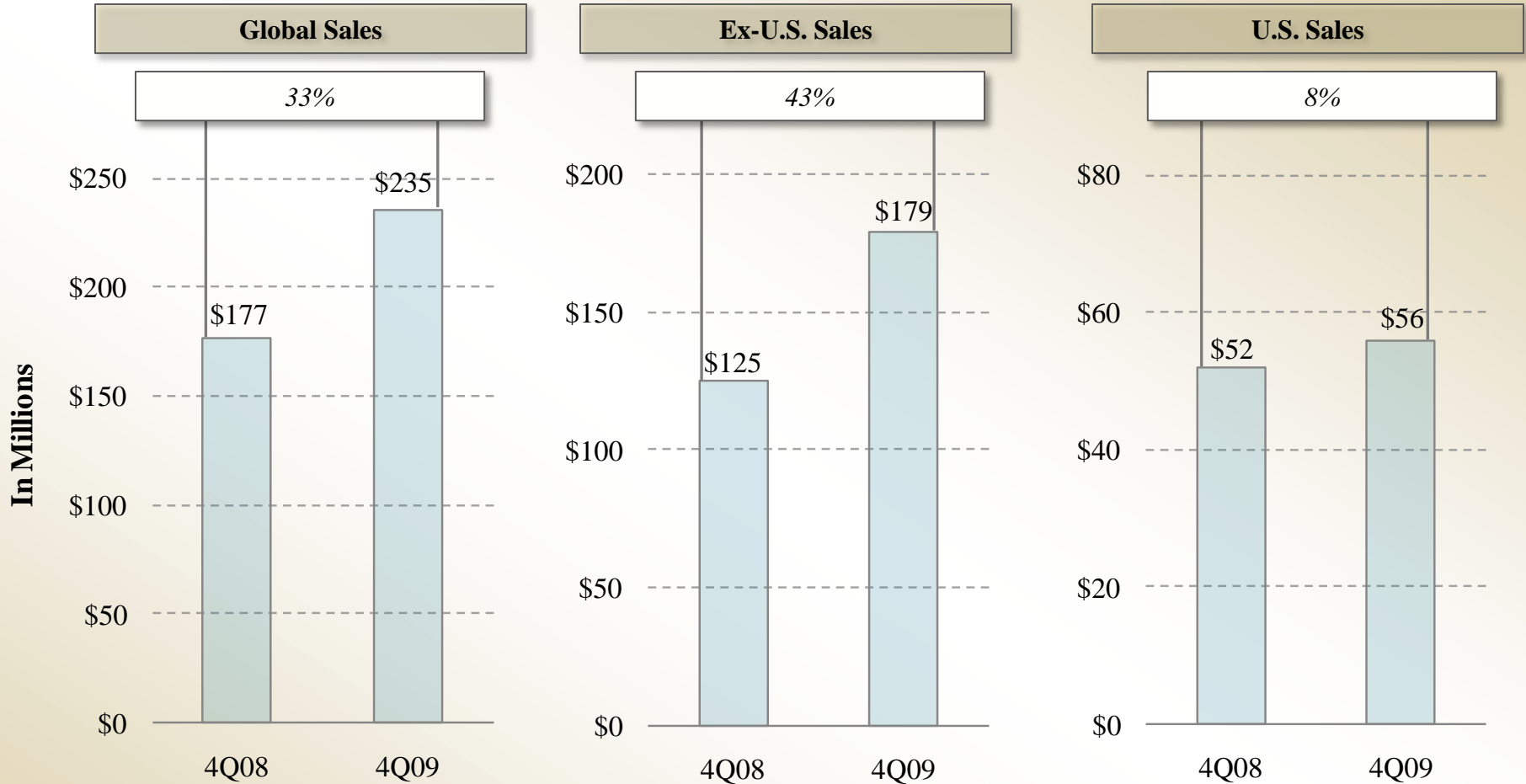
NON-GAAP NET INCOME (1)



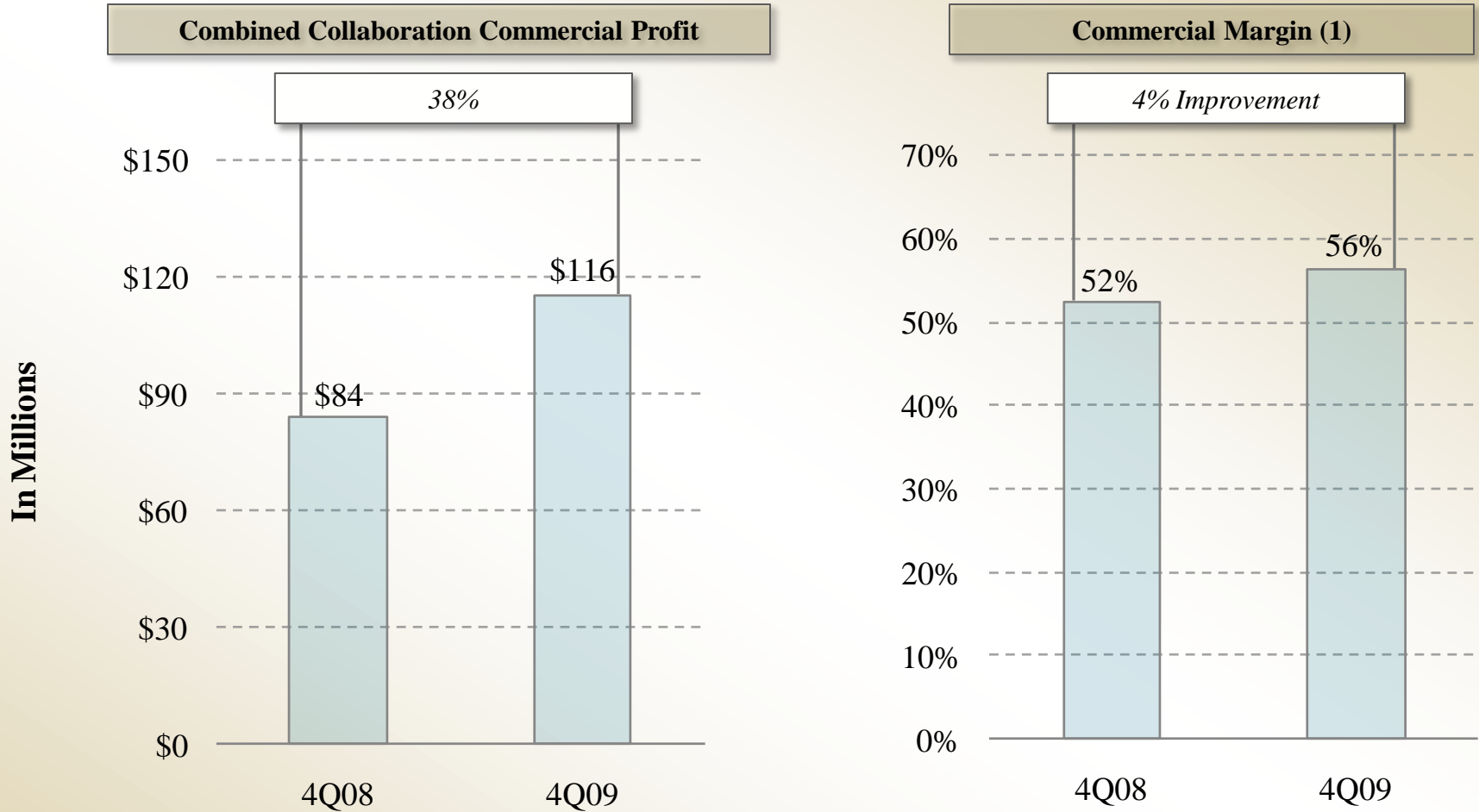
(1): Non-GAAP net income excludes the impact of employee stock-based compensation expense, imputed interest related to the application of Accounting Standards Codification (“ASC”) Subtopic 470-20, transaction costs, change in the fair value of contingent consideration from the time-value of money and upfront and milestone payments. A reconciliation of Non-GAAP net income follows on slide 12.

4Q 2009 vs. 4Q 2008 RESULTS

NEXAVAR NET SALES

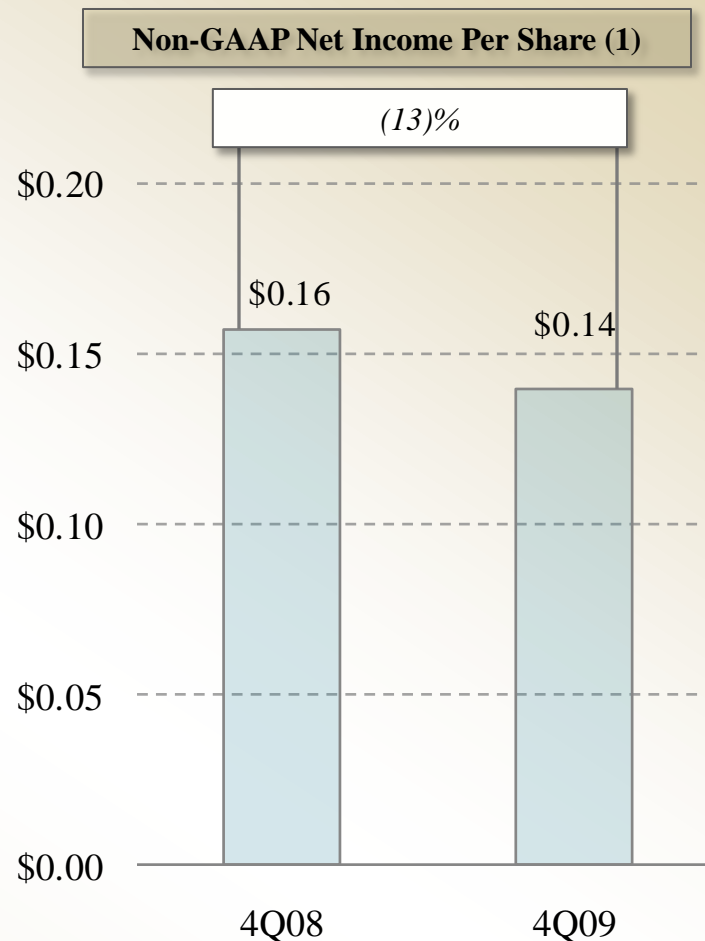
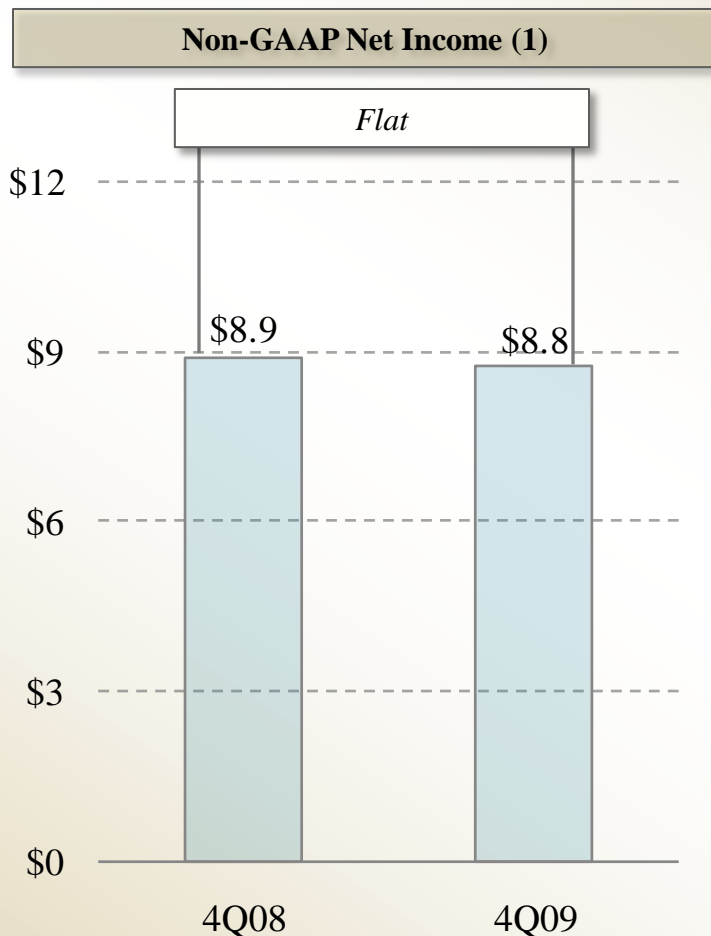


COMMERCIAL MARGIN



(1): Commercial margin calculated as combined collaboration commercial profit divided by revenue subject to profit sharing

NON-GAAP NET INCOME (1)



(1): Non-GAAP net income excludes the impact of employee stock-based compensation expense, imputed interest related to the application of Accounting Standards Codification (“ASC”) Subtopic 470-20, transaction costs, change in the fair value of contingent consideration from the time-value of money and upfront and milestone payments. A reconciliation of Non-GAAP net income follows on slide 12.

NON-GAAP CALCULATION

To determine non-GAAP net income, the Company adds back the following non-cash items to GAAP net income:

- Stock-based compensation expense
- Transaction costs
- Accretion of contingent consideration
- Upfront and milestone payments
- Imputed interest expense

These items are added back to calculate non-GAAP net income to allow management to monitor and evaluate operating results and trends on an on-going basis and internally to evaluate operating results. Onyx management believes the non-GAAP information is useful for investors by offering them the ability to better identify trends in the business and better understand how management evaluates the business. These non-GAAP measures have limitations, however, because they do not include all items of income and expense that affect Onyx. These non-GAAP financial measures that management uses are not prepared in accordance with, and should not be considered in isolation of, or an as alternative to, measurements required by GAAP.

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME (LOSS)

	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
GAAP net income (loss) per share - basic	\$ (0.09)	\$ (0.53)	\$ 0.27	\$ 0.03
GAAP net income (loss) per share - diluted (1)	\$ (0.09)	\$ (0.53)	\$ 0.27	\$ 0.03
GAAP net income (loss)	\$ (5,509)	\$ (30,187)	\$ 16,161	\$ 1,948
Non-GAAP adjustments:				
Employee stock-based compensation	6,146	4,987	21,080	18,796
Imputed interest related to the convertible senior notes due	2,111	-	3,137	-
Transaction costs	4,480	330	5,491	330
Upfront and milestone payments	-	33,750	7,000	33,750
Contingent consideration	1,528	-	1,528	-
Non-GAAP net income (loss) (2)	<u>\$ 8,756</u>	<u>\$ 8,880</u>	<u>\$ 54,397</u>	<u>\$ 54,824</u>
Computation of non-GAAP net income (loss) used in computing non-GAAP diluted per share amounts:				
Non-GAAP net income (loss) (2)	\$ 8,756	\$ 8,880	\$ 54,397	\$ 54,824
Add:				
Interest and issuance costs related to dilutive convertible senior notes (3)	-	-	3,683	-
Non-GAAP net income (loss) used in computing non-GAAP diluted per share amounts (2)	<u>\$ 8,756</u>	<u>\$ 8,880</u>	<u>\$ 58,080</u>	<u>\$ 54,824</u>
Computation of non-GAAP diluted shares				
Basic shares	62,189	56,430	59,215	55,915
Adjustments for dilutive effects:				
Dilutive effect of options and restricted stock	-	-	292	850
Dilutive effect of convertible senior notes (3)	-	-	5,801	-
Non-GAAP diluted shares (2)	<u>62,189</u>	<u>56,430</u>	<u>65,308</u>	<u>56,765</u>
Non-GAAP net income (loss) per share (2)	\$ 0.14	\$ 0.16	\$ 0.92	\$ 0.98
Non-GAAP net income (loss) per share - diluted (2)	\$ 0.14	\$ 0.16	\$ 0.89	\$ 0.97

(1-3) Footnotes on following slide

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME (LOSS)

(1) Under the “if-converted” method, interest and issuance costs and potential common shares related to the Company’s convertible senior notes were excluded in the computation of diluted per share amounts for the three months and year ended December 31, 2009 because their effect would be anti-dilutive.

(2) This reconciliation includes the following non-GAAP financial measures: non-GAAP net income (loss) and non-GAAP net income (loss) per share. The foregoing table reconciles these non-GAAP measures to the most comparable financial measures calculated in accordance with GAAP.

These non-GAAP financial measures exclude the following items from GAAP net income (loss) and diluted net income (loss) per share:

Employee stock-based compensation: The effects of employee stock-based compensation are excluded because of varying available valuation methodologies, subjective assumptions and the variety of award types; such exclusion facilitates comparisons of Onyx’s operating results to peer companies.

Imputed interest related to the convertible senior notes due 2016: The effects of imputed interest related to the convertible senior notes due 2016 are excluded because this expense is non-cash; such exclusion facilitates comparisons of Onyx’s cash operating results to peer companies.

Upfront and milestone payments and transaction costs: The effects of milestone payments and transaction costs are excluded as they do not relate to the normal and recurring transactions of our business; such exclusions allow for a better representation of the ongoing economics of the business, facilitates comparison to peer companies and is reflective of how Onyx manages the business.

Contingent consideration expense: The effects of contingent consideration expense are excluded due to the nature of this charge, which is related to the change in fair value of the liability for contingent consideration in connection with the acquisition of Proteolix; such exclusion facilitates comparisons of Onyx’s operating results to peer companies.

(3) Under the “if-converted” method, interest and issuance costs and potential common shares related to the Company’s convertible senior notes were excluded in the computation of non-GAAP diluted per share amounts for the three months ended December 31, 2009 because their effect is anti-dilutive and included in the computation of non-GAAP diluted per share amounts for the year ended December 31, 2009 because their effect is dilutive.

FY 2010 GUIDANCE

- ▶ Global Net Sales – Approximately 20% growth YoY for \$1 billion
- ▶ Commercial Margin – 60% or better
- ▶ Research and Development Expenses – Approximately \$35-50 million increase YoY
- ▶ Onyx Only Selling, General and Administrative Expenses – Approximately 5-10% increase YoY
- ▶ Net Interest Expense – Approximately \$15 million, of which \$9 million is non-cash
- ▶ Accretion of Contingent Consideration – Approximately \$14 million, which is non-cash. New information about certain events, including clinical trial results, could result in increases in the fair value of the liability that would be expensed through the Statement of Operations
- ▶ Stock-Based Compensation Expense – \$25 to \$30 million non-cash
- ▶ Taxes – Primarily AMT
- ▶ Non-GAAP Net Income – expectation of sustained non-GAAP profitability

2010 MOMENTUM

▶ Carfilzomib

- Initiating two Phase 3 studies: one in combination with Revlimid and dexamethasone and a monotherapy study in Europe
- Obtaining a data read-out from the Phase 2b study
- A potential NDA filing by the end of 2010

▶ Nexavar

- Continued penetration of existing markets
- Securing liver cancer reimbursement in South Korea and obtaining approval in Taiwan
- Reporting top-line results from NExUS, the Phase 3 lung cancer study
- Initiating the Phase 3 clinical program in breast cancer
- Continuing or initiating enrollment in seven planned or ongoing Phase 3 trials
- Presenting data at a variety of medical meetings, showcasing the extensive interest in Nexavar's broad clinical utility, including additional Phase 2 breast cancer data

▶ Early Stage Pipeline

- Complete the Phase 1 trial of ONX 0801
- Begin a Phase 1 trial for ONX 0912
- Report exciting preclinical data generated by ONX 0914, our immunoproteasome inhibitor