Agrinomics and Renessen Establish Alliance to Enhance Seed Oil Content

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SOUTH SAN FRANCISCO, Calif. and MONHEIM, Germany, Dec. 19 /PRNewswire-FirstCall/ -- Exelixis, Inc. (Nasdaq: EXEL) and Bayer CropScience AG announced that Agrinomics LLC, a joint venture between Exelixis Plant Sciences (EPS) and Bayer CropScience LP, and Renessen LLC, a joint venture between Monsanto Company and Cargill, Inc., have established a collaboration to enhance the oil content in commercially valuable seed oil crops. The collaboration combines Agrinomics' technological leadership in agricultural functional genomics, high-throughput gene screening and seed trait identification, developed at Exelixis Plant Sciences, with Renessen's global expertise in quality trait crop development and commercialization, with the goal of accelerating the development of novel proprietary crops with improved seed composition traits.

This innovative collaboration will explore new ways to use insights gained from agricultural functional genomics to enhance plants' genetic capabilities to increase the value of the natural compounds they produce. The global market for seed oil production is estimated to be $32 billion, and is growing at the rate of 3% per year, as major agricultural producers compete to produce human and animal food products that are more nutritionally beneficial, environmentally safe and commercially valuable. Two oil seed crops, soybeans and canola, account for over 70% of the 336 million metric ton world oil seed production capacity, and 44% of the 92 million metric ton world vegetable oil consumption market. Soy oil alone represents an annual market of more than $16 billion.

Under the terms of the collaboration, Renessen will provide Agrinomics with committed annual research funding, payment for the selection of genes and other product options, pre-commercial milestones as crop products advance through field testing and regulatory approval, and royalties on commercialized products that may emerge from the collaboration. In addition, Renessen will contribute research and product development capabilities in taking gene candidates identified by Agrinomics into crop products that include leading commercial germplasm. Specific financial terms of the collaboration are not being released.

"Our collaboration with Renessen underscores the unique capabilities of Agrinomics' powerful ACTTAG(TM) trait selection platform to rapidly discover and validate genes that can optimize important seed traits and increase the commercial value of many of the world's most significant agricultural crops," said Glen Y. Sato, Exelixis' chief financial officer, vice president, legal affairs, and chief executive officer, Agrinomics. "We believe that this significant partnership will advance the goal of creating a highly productive independent plant trait discovery business."

"We believe that Agrinomics' novel ACTTAG(TM) gene activation and tagging technology, coupled with its creative high throughput screening platform for seed composition traits, provides a strong complement to the internal research and development strategies of Renessen and its parent companies. Furthermore, this partnership should provide a significant competitive advantage in the race to create more commercially attractive high oil content crops," said Doug Hard, Renessen VP, Regulatory Affairs and Public Acceptance. "We believe that by harnessing innovative new research technologies to improve crop traits to our strengths in biotechnology development, crop breeding and production, Renessen has the potential to increase its leadership in major areas of the agricultural value chain."

Agrinomics has developed a robust gene discovery platform using the model plant species Arabidopsis thaliana, a plant related to commercial canola. This platform uses a proprietary positive genetic trait identification methodology known as "activation tagging" or ACTTAG(TM). Agrinomics has created a fully indexed and archived collection of over 250,000 ACTTAG(TM) Arabidopsis lines that represent nearly complete coverage of the entire Arabidopsis genome. To date, a large number ACTTAG(TM) lines have been identified that have improved seed oil and seed protein content, or have enhance seed oil or protein composition.

Renessen LLC develops and delivers quality traits and customized products that enhance the functionality of grains, oilseeds and other crops for grain processing and animal feed. Renessen is a joint venture between two global leaders: Monsanto Company and Cargill, Incorporated. As the first global alliance to span the value chain, Renessen has the research and technology to create high value products and the processing and distribution expertise to deliver these products.

Exelixis, Inc. is a leading genomics-based drug discovery company dedicated to the discovery and development of novel therapeutics, with a focus in the area of oncology. The company is leveraging its fully integrated gene-to-drug platform to fuel the growth of its proprietary drug pipeline. Exelixis has established broad corporate alliances with major pharmaceutical and biotechnology companies, including GlaxoSmithKline, Bristol-Myers Squibb, and Protein Design Labs. The company has also established agricultural research collaborations with Bayer CropScience, Dow Agrosciences and Renessen LLC. Other partners include Merck, Schering-Plough Research Institute, Cytokinetics and Scios. For more information, please visit the company's web site at www.exelixis.com.

Bayer CropScience AG, a subsidiary of Bayer AG with current annual sales of some EUR 6.0 billion, is one of the world's leading innovative crop science companies in the areas of crop protection, seeds and green biotechnology, as well as non-agricultural pest control. The company offers an outstanding range of products and extensive service backup for modern, sustainable agriculture and for non-agricultural applications. Bayer CropScience has a global workforce of 22,000 and is represented in 122 countries, ensuring proximity to dealers and consumers.

The forward looking statements contained in this press release involve risks and uncertainties that may affect our research and development efforts, as more fully discussed in the "Risk Factors" section of our filings with the U.S. Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, the ability of Exelixis to identify and deliver high oil genes in order to achieve the goals of the collaboration, milestones and royalty payments; and the ability of Renessen to successfully develop and market crops with increased oil content.

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