Bristol-Myers Squibb and Exelixis Enter Pioneering Cancer-Fighting Alliance

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Bristol- Myers Squibb Company (NYSE: BMY) and Exelixis, Inc. (NASDAQ: EXEL) today announced a broad collaboration and licensing agreement to create a new generation of cancer drugs that selectively destroy cancers that harbor defects in tumor suppressor gene pathways. Tumor suppression pathways help prevent the development of tumors and the loss of function of these genes is a frequent event in tumor progression. Although the targeting of tumor suppressor genes has long been viewed as an elegant and selective way of treating cancer, it has remained an extremely difficult technical approach to restore the function of these lost genes.

In a cooperative effort that will leverage each company's technology and expertise in the fields of genomics and target validation, Exelixis will identify and validate molecular targets that trigger cell death in cancer cells, while leaving normal cells unharmed. Bristol- Myers Squibb will then further validate these targets in human models.

Each company will have the option to obtain exclusive worldwide rights to equal numbers of validated targets arising from the collaboration. These rights will enable them to pursue the development of novel, small-molecule drugs. Bristol-Myers Squibb may also use Exelixis' expertise in assay development, high throughput screening, medicinal chemistry and preclinical pharmacology for several of the selected targets.

"As the worldwide leader in oncology drug development, we will continue to push the R&D envelope to extend and enhance the lives of cancer patients," said Peter S. Ringrose, Ph.D., chief scientific officer and president, Pharmaceutical Research Institute, Bristol-Myers Squibb. "This creative partnership with Exelixis will help us continue to be on the cutting edge of cancer drug development, and we believe this is what it will take to realize a new era of treatment."

"Tumor suppressor genes represent a new frontier for the treatment of cancer and until recently, they have been intractable as drug targets for pharmaceuticals," said Elliott Sigal, M.D., Ph.D., senior vice president, Drug Discovery and Exploratory Development, Bristol-Myers Squibb. "In this collaboration, we will be targeting the basic mechanisms that can lead to cancer. This is a novel approach to alleviating the true bottleneck of drug development in the post-genomics era."

As part of the collaboration, Exelixis will receive an exclusive worldwide license to develop and commercialize a selected analogue of the Bristol-Myers Squibb anticancer compound, Rebeccamycin. The Rebeccamycin analogue has shown activity against cancers in ongoing Phase I and early Phase II clinical trials being conducted by the National Cancer Institute under a Clinical Trials Agreement. Bristol-Myers Squibb has agreed to provide access to its internal clinical development prowess to support Exelixis in the development of this compound. Each party has certain rights of first negotiation with respect to cancer compounds that result from the targets validated in the collaboration and that the companies elect to license out. In addition, Bristol-Myers Squibb will make an equity investment in Exelixis and provide an up-front licensing fee and research support to Exelixis.

"Bristol-Myers Squibb has been an excellent partner, and we look forward to establishing this new relationship with them," commented George A. Scangos, Ph.D., president and chief executive officer of Exelixis. "This collaboration, which we believe is valued at $200 million, provides us not only with working capital, but significant upside in the form of milestones and royalties and a clinical stage product that will enable us to build our clinical development infrastructure." Dr. Scangos added, "When taken together with our recent Protein Design Labs collaboration, we believe our cancer strategy demonstrates our ability to significantly leverage Exelixis' core research into multiple product opportunities both for ourselves and our partners."

Bristol-Myers Squibb is an $18 billion pharmaceutical and related heath care products company whose mission is to extend and enhance human life. For more information, please visit the company's web site at www.bms.com.