



Bristol-Myers Squibb and Exelixis Announce Expansion of Collaboration

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Bristol-Myers Squibb Company (NYSE: BMY) and Exelixis, Inc. (NASDAQ: EXEL) today announced that their three-year collaboration will be substantially expanded, effective September 14, 2000.

Under the terms of the expansion, Bristol-Myers Squibb will double its committed research funding for the remainder of the agreement, originally signed in September 1999. Exelixis will continue to identify the mechanism of action for pharmaceutical compounds received from Bristol-Myers Squibb.

"Target validation is a critical bottleneck in the post-genomics field," said Elliott Sigal, M.D., Ph.D., senior vice president, Early Discovery and Applied Technology, Bristol-Myers Squibb. "In just over six months, the Exelixis team has identified the biochemical pathways of drug action for two novel compounds. I expect this chemical genomics approach to become a key strategy in validating novel targets."

Said George A. Scangos, Ph.D., president and chief executive officer of Exelixis, "Bristol-Myers Squibb has been an excellent partner for Exelixis. The company's highly advanced Department of Applied Genomics, combined with our core expertise in genetics creates many exciting opportunities for the discovery of novel therapies. The technology exchange that was part of this agreement also has provided Exelixis with a chemistry platform that will significantly shorten our own R&D timelines. The relationship has been, and I expect will continue to be, very interesting and productive for both companies."

Dr. Scangos continued, "After working with us for a period of time, each of our partners has expanded their collaborations substantially, particularly in the area of Mechanism of Action. This program, which already has generated very interesting targets for Bristol-Myers Squibb and Bayer, is an extremely powerful approach that we are employing in our proprietary programs as well."

Background on the Partnership

Under the terms of the original agreement, Exelixis provides the mechanism of action for pharmaceutical compounds received from Bristol-Myers Squibb, the identity and function of which are not known by Exelixis prior to delivery. In return, Bristol-Myers Squibb pays Exelixis a technology access fee, research support, and milestones and royalties based on achievements in the research and commercialization of products. Also under this agreement, the parties agreed to a non-exclusive cross-license of research technology which provides Exelixis with Bristol-Myers Squibb's proprietary combinatorial chemistry hardware and software and Bristol-Myers Squibb with rights to use Exelixis' worm (*C. elegans*) and fruit fly (*D. melanogaster*) model systems technology.

Background on the Exelixis Mechanism of Action Program

Exelixis' proprietary Mechanism of Action (MOA) technology identifies the molecular target and biochemical pathways modulated by a specific pharmaceutical compound. Once the target(s) is known, a better drug lead can then be developed for an optimal therapeutic effect. Examples include compounds in all stages of development with characteristics that may limit further development, or natural products with promising activity but with complex structures that preclude chemical synthesis. In addition to using its MOA technology to develop its own proprietary anti-cancer compounds, Exelixis is conducting MOA-based development collaborations with Bristol-Myers Squibb, Bayer Corporation, and Pharmacia Corporation under which Exelixis receives research funding, developmental milestone payments, and royalties on sales of products resulting from these collaborations.

Exelixis, Inc.

Exelixis, Inc. is the leader in comparative genomics and model system genetics. These technologies provide a rapid, efficient and cost-effective way to move from DNA sequence data to knowledge about the function of genes and the proteins that they encode. The company's technologies focus on the identification and validation of novel screening targets and proteins and their function for the pharmaceutical, diagnostic, agricultural and animal health industries. Exelixis' research programs include the areas of cancer, central nervous system, inflammation, metabolic disease, and agricultural biotechnology. For more information, please visit the company's web site at www.exelixis.com.

Bristol-Myers Squibb Company

Bristol-Myers Squibb is a \$20 billion diversified, global health and personal care company whose mission is to extend and enhance human life.

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