



GSK Does Not Option XL784 for Further Development

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SOUTH SAN FRANCISCO, Calif., Jan. 18 /PRNewswire-FirstCall/ -- Exelixis, Inc. (Nasdaq: EXEL) today announced that GlaxoSmithKline (GSK) has decided not to exercise its option to license XL784 for further development and commercialization. Exelixis previously announced that XL784 failed to meet its primary endpoint in a phase 2 trial in patients with diabetic nephropathy. Although the data in one subgroup were encouraging, Exelixis believes that the exciting data being generated by other compounds to which GSK has an option under its collaboration agreement with Exelixis made it unlikely that GSK would use one of its one or two remaining options to choose XL784. As a result of GSK's decision, Exelixis has the right to develop and commercialize XL784 either independently or in collaboration with third parties, subject to payment to GSK of a 3% royalty on sales of any products incorporating the compound.

XL784 is a potent inhibitor of the ADAM-10 and MMP-2 metalloprotease enzymes, targets of significant interest because of their important role in renal fibrosis and impairment. Although the phase 2 trial in patients with diabetic nephropathy did not meet its primary endpoint, there were encouraging data from the trial. The compound was well tolerated, and the subgroup of patients who were being treated with maximal doses of ACE inhibitors or ARBs did appear to show a substantial benefit from XL784, although this difference did not reach statistical significance. Exelixis itself does not intend to invest further in the development of this drug, but will seek a partner with which to take the compound forward.

XL784 is part of Exelixis' clinical development financing arrangement with Symphony Evolution, Inc.

About Exelixis

Exelixis, Inc. is a development-stage biotechnology company dedicated to the discovery and development of novel small molecule therapeutics for the treatment of cancer and other serious diseases. The company is leveraging its fully integrated drug discovery platform to fuel the growth of its development pipeline, which is primarily focused on cancer. Currently, Exelixis' broad product pipeline includes investigational compounds in phase 2 and phase 1 clinical development for cancer and renal disease. Exelixis has established strategic corporate alliances with major pharmaceutical and biotechnology companies, including GlaxoSmithKline, Bristol-Myers Squibb Company, Genentech, Wyeth Pharmaceuticals and Daiichi-Sankyo. For more information, please visit the company's web site at <http://www.exelixis.com>.

Forward-Looking Statements

This press release contains forward-looking statements, including, without limitation, statements related to the future development and potential efficacy of Exelixis' compounds, including the other compounds on which GSK has an option, and the likelihood that GSK will exercise its option to license additional compounds for further development and commercialization. Words such as "believes," "intend," "will" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Exelixis' current expectations. Forward-looking statements involve risks and uncertainties. Exelixis' actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to the potential failure of Exelixis' compounds to demonstrate safety and efficacy in clinical testing and Exelixis' dependence on and relationship with GSK. These and other risk factors are discussed under "Risk Factors" and elsewhere in Exelixis' quarterly report on Form 10-Q for the quarter ended September 30, 2007 and Exelixis' other filings with the Securities and Exchange Commission. Exelixis expressly disclaims any duty, obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Exelixis' expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

SOURCE Exelixis, Inc.

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