



Exelixis Announces Restructuring

March 8, 2010

- Aligning Resources with Late-Stage Compounds XL184, XL147 and XL765 -

SOUTH SAN FRANCISCO, Calif., Mar 08, 2010 (BUSINESS WIRE) -- Exelixis, Inc. (Nasdaq:EXEL) today announced a restructuring as a consequence of its continued strategy to focus resources on the development of its key late-stage compounds. As its first priority, the company will aggressively advance XL184, XL147 and XL765, each of which is the subject of a large clinical development program. Additionally, Exelixis retains a fully integrated R&D organization, and will continue to advance new compounds into development, although the number will be reduced for the foreseeable future. Exelixis has retained the ability to meet all of its obligations to existing partners. Further, as a result of its retained R&D capabilities and its numerous unpartnered clinical and preclinical compounds, the company expects that its ongoing and future business development discussions will be unaffected.

The restructuring announced today results in a reduction of Exelixis' workforce by approximately 40%, or 270 employees. This restructuring increases the company's financial strength and positions the company for longer-term sustainable growth. As a result of the restructuring, the company estimates that its cumulative cash expenditures through 2011 will be reduced by approximately \$90 million after payment of restructuring costs. The savings are primarily related to reductions in compensation and benefits, laboratory supplies and clinical trial costs. The company expects to record a restructuring charge of approximately \$15 million in the first quarter of 2010, which may increase later in the year, depending on potential facility-related charges and other write downs that have not yet been finalized.

"The restructuring reflects our commitment to the strategic goals that we presented at our R&D Day in December 2009. We are focused on the aggressive development of our most advanced clinical compounds XL184, XL147 and XL765. Along with our investigators and partners, we remain enthusiastic about their potential as new anti-cancer agents and have retained the development expertise and capabilities to advance these compounds expeditiously. Additionally, we have scaled our fully integrated drug discovery and preclinical development organization to deliver one new IND per year. Our priority is to see ourselves through to the anticipated filing of our first NDA for XL184 in the second half of 2011," said George A. Scangos, president and CEO of Exelixis, Inc. "We are convinced that the restructuring is the right step for the company and positions us well to move into the future. However, it is extremely difficult to release many people who have contributed substantially to the company over the years and who are our friends and colleagues."

In addition to XL184, XL147 and XL765, Exelixis will continue development of XL888, an orally available small molecule inhibitor of HSP90 currently in phase 1, XL139 and XL413, compounds co-developed with BMS, as well as its preclinical program focused on PI3K delta.

Conference Call and Webcast

Exelixis' management will discuss the restructuring and update on its corporate strategy on the company's fourth quarter and full year 2009 financial results conference call beginning at 5:00 A.M. PT/ 8:00 A.M. ET tomorrow, Tuesday, March 9, 2010. To listen to a webcast of the discussion, visit the Event Calendar page under Investors at www.exelixis.com.

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 3, phase 2, and phase 1 clinical development. Exelixis has established strategic corporate alliances with major pharmaceutical and biotechnology companies, including Bristol-Myers Squibb, sanofi-aventis, GlaxoSmithKline, Genentech (a wholly owned member of the Roche Group), Boehringer Ingelheim, Pfizer Inc., and Daiichi-Sankyo. For more information, please visit the company's web site at www.exelixis.com.

This press release contains forward-looking statements, including, without limitation, statements related to Exelixis' strategy to focus resources on the development of its most advanced clinical compounds, the satisfaction of Exelixis' obligations to existing partners, ongoing and future business development discussions, Exelixis' future financial strength and growth, estimated future cash expenditures, expected charges related to the restructuring plan, and the timing thereof, the potential of XL184, XL147 and XL765 as new anti-cancer agents and the plan to advance such compounds expeditiously, the generation of novel IND-ready compounds, the anticipated filing of an NDA for XL184 in the second half of 2011, and the continued development of compounds in Exelixis' pipeline. Words such as "continue," "will," "expects," "may," "estimates," "anticipate," "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Exelixis' current plans, assumptions, beliefs and 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 Exelixis' ability to execute on its strategy; the impact of the restructuring on Exelixis' business; Exelixis' ability to enter into new partnerships; Exelixis' ability to implement the restructuring plan to the extent currently anticipated; unanticipated expenses and charges not currently contemplated that may occur as a result of the restructuring plan and general business and economic conditions. These and other risk factors are discussed under "Risk Factors" and elsewhere in Exelixis' quarterly report on Form 10-Q for the quarter ended October 2, 2009 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.

Exelixis, Inc.
Charles Butler, 650-837-7277
Vice President
Corporate Communications & Investor Relations
cbutler@exelixis.com