Exelixis to Raise $160 Million through Financing Transactions with Silicon Valley Bank and Deerfield Management

June 3, 2010

SOUTH SAN FRANCISCO, Calif., Jun 03, 2010 (BUSINESS WIRE) --Exelixis, Inc. (Nasdaq:EXEL) today announced that it has entered into agreements providing for two separate financing transactions with Silicon Valley Bank and Deerfield Management for an aggregate of $160.0 million in capital. Exelixis expects to use the proceeds from these transactions to finance the repayment of the remaining obligations under its loan from GlaxoSmithKline and to fund development activities related to its lead compound XL184. The blended cost of capital for both transactions is expected to remain under 10%.

The transaction with Silicon Valley Bank is an extension of the company's existing credit facility with the bank and provides for a new seven-year term loan in an amount of $80.0 million. The principal amount outstanding under the term loan will accrue interest at 1.00% per annum, payable monthly, and will be fully secured by deposit accounts with Silicon Valley Bank. The transaction is expected to close by June 4, 2010.

The Deerfield transaction provides Exelixis with gross proceeds of an additional $80.0 million through the issuance of senior secured notes maturing in five years at a maximum principal amount of $124.0 million. The notes are subject to certain mandatory prepayment requirements starting in 2013 and bear interest payments in the annual amount of $6.0 million, payable quarterly. Exelixis will have the ability to voluntarily prepay all or a portion of the notes prior to maturity. Payments to Deerfield can be made in cash or in stock at Exelixis' discretion and subject to certain limitations. The transaction is expected to close by July 2, 2010.

"In aggregate, these transactions provide Exelixis with a significant amount of funding at an attractive cost of capital. This capital enables us to meet our remaining obligations under the GlaxoSmithKline loan and to fund the rapidly expanding and advancing XL184 development program," said Frank Karbe, Exelixis' executive vice president and chief financial officer. "After considering a variety of options, we believe that these transactions together offer the most attractive approach to meeting our financial and strategic objectives while managing shareholder dilution."

Further information with respect to these transactions is contained in a Current Report on Form 8-K filed today with the Securities and Exchange Commission.

XL184 Advancing in Clinical Development

XL184 is a dual MET and VEGFR2 inhibitor and is currently in a broad development program across multiple indications. XL184 is currently in a global phase 3 trial for medullary thyroid cancer, a broad development program in glioblastoma, which includes multiple phase 1 trials, and a late-stage phase 2 trial in over a 150 patients. Additionally, XL184 is in a randomized discontinuation trial, which could enroll up to 600 patients. Exelixis also plans to initiate a phase 3 trial of XL184 in second-line glioblastoma by the end of 2010 and may initiate additional phase 3 trials for XL184 in 2011. In December 2008, Exelixis entered into a worldwide co-development collaboration with Bristol-Myers Squibb Company for the development and commercialization of XL184.

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 biological expertise and integrated research and development capabilities to generate a pipeline of development compounds with significant therapeutic and commercial potential for the treatment of cancer and potentially other serious diseases. 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 Company, sanofi-aventis, GlaxoSmithKline, Genentech (a wholly owned member of the Roche Group), Boehringer Ingelheim, and Daiichi-Sankyo. For more information, please visit the company's web site at http://www.exelixis.com.

This press release contains forward-looking statements, including, without limitation, statements related to the anticipated closing dates of the term loan from Silicon Valley Bank and transaction with Deerfield, the expected use of proceeds and cost of capital of these transactions, Exelixis' ability to repay the notes issued to Deerfield in shares of its common stock, satisfaction by Exelixis of its obligations under its loan from GlaxoSmithKline, Exelixis' ability to fund the XL184 development program, anticipated future clinical development of XL184 and the therapeutic and commercial potential of compounds that Exelixis is developing. Words such as "expect," "can," "enables," "could," "plan," "may" 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, the risk that the closings of the term loan from Silicon Valley Bank and/or transaction with Deerfield will not occur on the anticipated timing, or at all, due to potential failure to satisfy the applicable conditions to closing and risks related to: the sufficiency of Exelixis' capital, including risks related to satisfaction by Exelixis of its obligations under its loan from GlaxoSmithKline; the potential failure of Exelixis' compounds to demonstrate safety and efficacy in clinical testing; Exelixis' dependence on collaborations; the ability to conduct clinical trials for Exelixis' compounds sufficient to achieve a positive completion; and the timing and level of expenses associated with the development of Exelixis' programs. These and other risk factors are discussed under "Risk Factors" and elsewhere in Exelixis' quarterly report on Form 10-Q for the quarter ended April 2, 2010 and 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.

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