Exelixis Licenses Programs to Bristol-Myers Squibb Company

October 11, 2010

-Exelixis To Receive Initial Payment of $60 Million-

SOUTH SAN FRANCISCO, Calif., Oct 11, 2010 (BUSINESS WIRE) --

Exelixis, Inc. (NASDAQ: EXEL) announced today that it has entered into two new collaboration agreements with Bristol-Myers Squibb Company (NYSE:BMY). Under the first agreement, Exelixis will grant to Bristol-Myers Squibb an exclusive license to its small-molecule TGR5 agonist program including backups. Under the second agreement, the companies will collaborate to discover, optimize, and characterize small-molecule ROR antagonists. The companies have also made minor amendments to their XL281 and liver X receptor (LXR) agreements. Finally, under the companies' cancer collaboration agreement Exelixis has opted to exercise its right to opt out of further co-development of XL139 and will receive an accelerated milestone payment.

Under the terms of the new agreements, Bristol-Myers Squibb will make a combined initial payment of $60 million to Exelixis. Exelixis will be eligible for potential development and approval milestone payments of up to $250 million on TGR5 and $255 million on the ROR antagonists. Exelixis will also be eligible for combined sales performance milestones, and royalties on net sales of products from each of the TGR5 and ROR programs. Bristol-Myers Squibb will receive an exclusive worldwide license to develop and commercialize small molecule TGR5 agonists and ROR antagonists. Under the TGR5 agreement, Bristol-Myers Squibb will have sole responsibility for research, development, manufacturing, and commercialization. Under the ROR agreement, Bristol-Myers Squibb and Exelixis will collaborate on ROR antagonist programs up to a pre-clinical transition point and then Bristol-Myers Squibb will have sole responsibility for the further research, development, manufacture, and commercialization.

Exelixis is granting rights to the ROR program in exchange for Bristol-Myers Squibb waiving rights to receive a third Investigational New Drug (IND) candidate as agreed to under a collaboration signed in 2006 between the two companies in the area of oncology.

After Exelixis opts-out of further co-development of XL139, Bristol-Myers Squibb will receive an exclusive worldwide license to develop and commercialize, and will have sole responsibility for the further development, manufacture, and commercialization of the compound.

"We continue our strong relationship with Bristol-Myers Squibb and are excited for these collaborations to maximize the potential of these novel programs and bring benefits to patients with serious diseases," said Michael M. Morrissey, Ph.D., president and chief executive officer of Exelixis. "These transactions leverage our discovery expertise with the development expertise of Bristol-Myers Squibb in inflammation and metabolic diseases, and provide important additional resources for us to continue our focus on our clinical stage development pipeline."

TGR5 is a G-protein coupled bile acid receptor (GPCR) which is highly expressed in the gall bladder and intestine. Through TGR5, bile acids promote the secretion of glucogen-like peptide-1 (GLP-1), a hormone that affects multiple metabolic parameters including increased insulin secretion from the pancreas and lowering of blood glucose. Stimulating GLP-1 secretion by activation of TGR5 has the potential to be complementary to the use of dipeptidyl peptidase-4 (DPP-IV) inhibitors for the treatment of diabetes.

ROR is a member of the nuclear hormone receptor family that is expressed in multiple cell types including T-cells. ROR plays a prominent role in the development and activity of the TH17 subset of T-cells, which secrete IL-17 and are associated with a variety of inflammatory disorders. Small molecule antagonists of ROR inhibit production of these pro-inflammatory cytokines and have broad potential as novel anti-inflammatory compounds.

The TGR5 license agreement and the amendment to the cancer collaboration agreement signed in 2006 are subject to antitrust clearance under the Hart-Scott-Rodino Antitrust Improvements Act and other customary regulatory approvals.

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://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.exelixis.com&esheet=6461921&lan=en-US&anchor=http%3A%2F%2Fwww.exelixis.com&index=1&md5=c22ba82e8469f0b1c54486aaff327586.

Exelixis and the Exelixis logo are registered U.S. trademarks.

Forward-Looking Statements

This press release contains forward-looking statements by Exelixis, including, without limitation, statements related to Exelixis' receipt of an accelerated milestone payment from Bristol-Myers Squibb with respect to XL139; Exelixis' receipt of upfront payments; Exelixis' potential receipt of

development, regulatory and commercial milestones, as well as royalties on sales of any products commercialized; the companies' plans for research, development, commercial and manufacturing activities; Exelixis' expectation that the collaborations will maximize the potential of the programs and bring benefits to patients with serious diseases; Exelixis' belief that the transactions provide resources to enable it to continue to focus on its clinical stage development program and the anticipated effectiveness of the license and collaboration agreements described in this press release. Words such as "will," "eligible," "continue," "potential," "leverage," "focus," 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' dependence on the activities of Bristol-Myers Squibb under the described agreements, the potential failure of XL475, XL281 and XL139 or other Exelixis compounds to demonstrate safety and efficacy in clinical testing; the therapeutic and commercial value of XL475, XL281, XL139 and other Exelixis compounds; the uncertainty of the FDA approval process, market competition and changes in economic and business 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 July 2, 2010 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
DeDe Sheel, 650-837-8231
Associate Director, Investor Relations
dsheel@exelixis.com