



Exelixis Announces Pricing of Concurrent Offerings of 30 Million Shares of Common Stock and \$250 Million Principal Amount of Convertible Senior Subordinated Notes

August 9, 2012

SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Aug. 9, 2012-- Exelixis, Inc. (Nasdaq: EXEL) today announced the pricing of its concurrent underwritten public offering of 30 million shares of newly issued common stock at a price to the public of \$4.25 per share and \$250 million aggregate principal amount of its 4.25% convertible senior subordinated notes due 2019. Exelixis also granted the underwriters a 30-day option to purchase up to an additional 4.5 million shares of its common stock and up to an additional \$37.5 million aggregate principal amount of the convertible senior subordinated notes in connection with the offerings. All of the shares and the notes in the offerings are being sold by Exelixis. Exelixis anticipates that its aggregate net proceeds from the concurrent offerings will be \$361.9 million after deducting the underwriting discount and estimated offering expenses payable by Exelixis (assuming no exercise of the underwriters' option to purchase additional shares of common stock and notes). The notes will be the general unsecured senior subordinated obligations of Exelixis (except to the extent of an interest escrow account holding net proceeds from the notes offering sufficient to fund, when due, the total aggregate amount of the first six scheduled semi-annual interest payments on the notes, excluding additional interest, if any). The notes will bear interest at a rate equal to 4.25% per year, payable semiannually in arrears on February 15 and August 15 of each year, beginning on February 15, 2013. The notes will mature on August 15, 2019.

The notes will be convertible by the holders beginning on May 15, 2019, or earlier upon the occurrence of certain events. The notes will be convertible at an initial conversion rate of 188.2353 shares per \$1,000 principal amount of notes, equivalent to an initial conversion price of approximately \$5.31 per share. The initial conversion price represents a premium of approximately 25% to the public offering price of Exelixis' shares in the common stock offering. The conversion rate will be subject to adjustment upon certain events, but will not be adjusted for accrued and unpaid interest. Upon conversion, the notes may be settled, at Exelixis' election, in cash, shares of Exelixis common stock, or a combination of cash and shares of Exelixis common stock. Exelixis may redeem some or all of the notes for cash under certain circumstances on or after August 15, 2016.

Exelixis currently expects to use the net proceeds from the offerings for general corporate purposes, including for clinical trials, research and development, capital expenditures, working capital, funding the interest escrow account, and the payment of a consent fee to entities affiliated with Deerfield Management Company L.P. with respect to secured convertible notes Exelixis previously issued to such entities.

Goldman, Sachs & Co. and Cowen and Company are acting as joint book-running managers and Piper Jaffray & Co., Stifel Nicolaus Weisel and William Blair & Company, L.L.C. are acting as co-managers for the common stock offering. Goldman, Sachs & Co. is acting as sole book running manager, Cowen and Company is acting as joint lead manager, and Citigroup, Credit Suisse Securities (USA) LLC and Morgan Stanley & Co. LLC are acting as co-managers for the convertible senior subordinated note offering. The common stock offering and the convertible senior subordinated note offering are being conducted as separate public offerings by means of separate prospectus supplements filed as part of a shelf registration statement previously filed with the Securities and Exchange Commission (SEC) on Form S-3, and neither of these offerings is contingent upon the consummation of the other.

Exelixis expects to close the offerings on or about August 14, 2012, subject to customary closing conditions.

This announcement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. This press release is being issued pursuant to and in accordance with Rule 134 under the Securities Act of 1933, as amended. Any offer, if at all, will be made only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. Copies of the prospectus supplements and base prospectus relating to the offerings may be obtained, when available, from Goldman, Sachs & Co. (200 West Street, New York, New York 10282, Attn: Prospectus Department, Phone: 1-866-471-2526, Fax: 212-902-9316, Email: prospectus-ny@ny.email.gs.com) or from Cowen and Company (c/o Broadridge Financial Services., 1155 Long Island Avenue, Edgewood, NY 11717, Attn: Prospectus Department, Phone: 631-274-2806, Fax: 631-254-7140). Exelixis intends to file a final prospectus supplement relating to each offering with the SEC, which will be available along with the prospectus filed with the SEC in connection with the shelf registration statement, on the SEC's website at www.sec.gov.

About Exelixis

Exelixis, Inc. is a biotechnology company committed to developing small molecule therapies for the treatment of cancer.

Forward-Looking Statements

This announcement contains forward-looking statements, including statements relating to Exelixis' expectations regarding the completion of the proposed public offerings and the amount and use of the anticipated net proceeds therefrom. These statements are subject to significant risks and uncertainties and actual results could differ materially from those projected. Exelixis cautions investors not to place undue reliance on the forward-looking statements contained in this release. These risks and uncertainties include, without limitation, risks and uncertainties related to satisfaction of customary closing conditions related to the public offerings. There can be no assurance that Exelixis will be able to complete either public offering on the anticipated terms, or at all. Risks and uncertainties relating to Exelixis and these offerings can be found in the "Risk Factors" section of the prospectus supplements related to the proposed offerings to be filed with the SEC. Exelixis undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in Exelixis' expectations.



Source: Exelixis, Inc.

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