

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): October 28, 2002

EXELIXIS, INC. (Exact name of registrant as specified in its charter)

DELAWARE

0-30235

04-3257395

(State or other jurisdiction of incorporation) (Commission File No.) (I.R.S. Employer Identification No.)

170 Harbor Way
P.O. Box 511
South San Francisco, CA 94083
(Address of principal executive offices, including zip code)
(650) 837-7000
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On October 28, 2002, Exelixis, Inc. ("Exelixis") and GlaxoSmithKline plc ("GSK") announced the formation of a broad alliance to discover, develop and commercialize novel therapeutics in the areas of vascular biology, inflammatory disease and oncology. The alliance combines Exelixis' powerful gene-to-drug discovery platform and GSK's strength in development and commercialization by means of an innovative model for sharing risks and potential rewards in a research and development collaboration. GSK will make an upfront payment of \$30.0 million to Exelixis. GSK will also initially acquire two million newly issued shares of Exelixis common stock at \$7 per share, which represents a premium of approximately 100% to the current stock price. Exelixis has the option to sell GSK additional shares at a specified time in the future. Over the initial six years of the agreement, GSK will provide Exelixis with a minimum of \$90.0 million in development funding. A copy of the press release announcing the alliance is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

EXHIBIT NUMBER	DESCRIPTION
99.1	EXELIXIS AND GLAXOSMITHKLINE FORM BROAD ALLIANCE TO DISCOVER AND DEVELOP NOVEL THERAPEUTICS

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: October 28, 2002

Exelixis, Inc.

/s/ Glen Y. Sato

Glen Y. Sato
Chief Financial Officer, Vice President,
Legal Affairs and Secretary
(Principal Financial and Accounting Officer)
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EXELIXIS AND GLAXOSMITHKLINE FORM BROAD ALLIANCE
TO DISCOVER AND DEVELOP NOVEL THERAPEUTICS

SOUTH SAN FRANCISCO, CA and LONDON, UK - October 28, 2002 - Exelixis, Inc. (Nasdaq: EXEL) and GlaxoSmithKline plc (LSE & NYSE:GSK) announce that they will form a broad alliance to discover, develop and commercialize novel therapeutics in the areas of vascular biology, inflammatory disease and oncology.

The alliance combines Exelixis' powerful gene-to-drug discovery platform and GSK's strengths in development and commercialization by means of an innovative model for sharing risks and potential rewards in a research and development collaboration.

Under the terms of the agreement, Exelixis will have responsibility for the delivery to GSK of an undisclosed number of small-molecule compounds that have met agreed-upon criteria in early Phase II clinical testing. GSK will have the right to further develop these compounds and exclusive, worldwide commercialization and manufacturing rights. Exelixis retains co-promotion rights in North America.

GSK will make an upfront payment of \$30 million to Exelixis. GSK will also initially acquire two million newly issued shares of Exelixis common stock at \$7 per share, which represents a premium of approximately 100% to the current stock price. Exelixis has the option to sell GSK additional shares at a specified time in the future.

Over the initial six years of the agreement, GSK will provide Exelixis with a minimum of \$90 million in development funding. Exelixis will receive clinical and regulatory milestone payments based on the number and timing of compounds reaching specified points of progression. Based on the continued successful development of these compounds, these payments could range from \$220 million to \$350 million up to and including first commercialization. In addition, GSK will make available a loan facility to Exelixis of up to \$85 million. Exelixis will also receive sales-based milestone payments and royalties on product sales.

Two years from the start of the collaboration, GSK and Exelixis may elect to expand the collaboration, and under this option, Exelixis' milestone payments could double in size, and the development funding and the loan facility would also be significantly expanded.

"For GlaxoSmithKline this alliance promises to complement our own accelerating drug-discovery activities by gaining access to the expanding array of capabilities which Exelixis has assembled rapidly in recent years," said Tadataka Yamada, M.D., Chairman, Research & Development, GSK. "Success for this innovative alliance will be not just the identification of targets and lead compounds but also the delivery of drugs that have demonstrated a therapeutic concept and shown promise for continuing development. We look forward to working with an accomplished partner like Exelixis to shape a productive effort."

"The breadth and depth of this collaboration utilizes the full strength and productivity of our proprietary gene-to-drug discovery and development platform," said George A. Scangos, Ph.D., Exelixis President and Chief Executive Officer. "The unique collaborative and financial structure of this alliance ensures that our companies will benefit from each others' efforts, work diligently together to select and advance the most promising drug candidates, and share mutually in the benefits of our successes. This collaboration is an extraordinary opportunity for us to work with GSK, one of the world's leading pharmaceutical companies, to fulfill our shared goal of delivering important new medicines to patients. Having made the critical strategic decision three years ago to build Exelixis from a genomics platform company into a mature drug discovery and development company, this collaboration is a landmark achievement for our company."

Exelixis will conduct a webcast conference call to discuss this alliance on Monday, October 28, 2002 at 5:00 pm ET. To participate over the Internet, go to www.exelixis.com/ir and click on the Corporate Collaboration icon or go to

www.ccbn.com. A replay of this webcast will be available for 14 days.

Exelixis, Inc. (Nasdaq: EXEL) Exelixis, Inc. (Nasdaq: EXEL) is a leading

