

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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): September 20, 2004

EXELIXIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-30235

04-3257395

(State or Other
Jurisdiction of Incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

170 Harbor Way
P.O. Box 511
South San Francisco, California 94083

(Address of principal executive offices, and including zip code)

(650) 837-7000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On September 20, 2004, Exelixis, Inc. (the "Company") and SmithKlineBeecham Corporation ("GSK"), entered into a Second Amendment (the "Amendment") to the Loan and Security Agreement, dated October 28, 2002 (the "Loan Agreement"). Under the terms of the Amendment, the Company may comply either with its existing financial covenants set forth in Sections 11.1 and 11.2 of the Loan Agreement and the Amendment or with an alternative new financial covenant set forth in Section 11.3 of the Amendment. The Company may comply with the alternative new financial covenant for a period from September 15, 2004 through March 31, 2005 after which time the Company must again comply with its existing financial covenants.

Under Section 11.1 of the Loan Agreement and the Amendment, the Company must not permit Working Capital (as defined in the Loan Agreement and the Amendment) to be less than \$25,000,000.

Under Section 11.2 of the Loan Agreement and the Amendment, the Company must not permit Tangible Net Worth (as defined in the Loan Agreement and the Amendment) to be less than \$10,000,000.

Under Section 11.3 of the Amendment, the Company must not permit Cash and Investments (as defined in the Amendment) to be less than \$50,000,000.

A copy of the Amendment is attached hereto as Exhibit 10.1. The description of the Amendment in this Current Report on Form 8-K is qualified in its entirety by reference to the complete copy of the Amendment attached hereto as an exhibit.

The Loan Agreement is part of the collaboration between the Company and GSK that was established in October 2002 to discover and develop novel therapeutics in the areas of vascular biology, inflammatory disease and oncology. The collaboration involves three agreements: (a) a Product Development and Commercialization Agreement; (b) a Stock Purchase and Stock Issuance Agreement; and (c) the Loan Agreement.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit 10.1 Second Amendment to Loan and Security Agreement, effective September 20, 2004, between Exelixis, Inc. and SmithKline Beecham Corporation

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: September 23, 2004

Exelixis, Inc.

/s/ Christoph Pereira

Christoph Pereira
Vice President, Legal Affairs and Secretary

SECOND AMENDMENT TO LOAN AND SECURITY
AGREEMENT

THIS SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT (the "Second Amendment") is made and effective as of this 20th day of September, 2004 ("Effective Date") by and between Exelixis, Inc., a Delaware corporation ("Exelixis"), and SmithKline Beecham Corporation, a Pennsylvania corporation, doing business as GlaxoSmithKline ("GSK"). Exelixis and GSK are each referred to herein by name or as a "Party" or collectively, as "Parties". All capitalized terms used, but not specifically defined, herein shall have the same meaning provided for such terms in the Loan Agreement.

WHEREAS, Exelixis and GSK are parties to that certain Loan and Security Agreement dated October 28, 2002 as amended by a First Amendment to Loan and Security Agreement dated December 5, 2002 (the Loan and Security Agreement as amended by such First Amendment, the "Loan Agreement");

WHEREAS, Exelixis and GSK desire to amend certain covenants contained in the Loan Agreement in furtherance of the Parties' ongoing collaboration; and

WHEREAS, pursuant to Section 8.1 of the Loan Agreement, the Parties may agree to amend the Loan Agreement by mutual written agreement of the Parties.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GSK and Exelixis agree that Article 11 of the Loan Agreement shall be amended in its entirety effective as of September 15, 2004 to read as follows:

ARTICLE 11
FINANCIAL COVENANTS

Exelixis covenants and agrees that for the period from September 15, 2004 through March 31, 2005 Exelixis shall comply either with (a) the covenants set forth in both Sections 11.1 and 11.2 or (b) the covenant set forth in Section 11.3. For the period from April 1, 2005 through the balance of the Term, Exelixis shall comply with the covenants set forth in both Sections 11.1 and 11.2.

11.1 Working Capital. Exelixis shall not cause or permit Working Capital to be less than Twenty-Five Million Dollars (\$25,000,000), the term "Working Capital" meaning, as of the time of any determination thereof, the amount determined in accordance with GAAP, by which the current assets of Exelixis exceed its current liabilities.

11.2 Tangible Net Worth. Exelixis shall not cause or permit Tangible Net Worth to be less than Ten Million Dollars (\$10,000,000), the term "Tangible Net Worth" meaning, as of the time of any determination thereof, total stockholder equity less good will and other intangible assets as reported by Exelixis in its SEC Filings prepared in accordance with GAAP.

11.3 Minimum Cash and Investments. Exelixis shall not cause or permit Cash and Investments to be less than Fifty Million Dollars (\$50,000,000). The term "Cash and Investments" meaning, as of the time of any determination thereof, total cash, cash equivalents and investments as reported by Exelixis in its SEC Filings prepared in accordance with GAAP.

All other conditions of the Loan Agreement, as amended and all other writings submitted by Exelixis to GSK pursuant thereto, shall remain unchanged and in full force and effect.

This Second Amendment shall not constitute a waiver or modification of any of GSK's rights and remedies or any of the terms, conditions, warranties, representations, or covenants contained in the Loan Agreement, as amended, except as specifically set forth above, and GSK hereby reserves all of its rights and remedies pursuant to the Loan Agreement and applicable law.

In WITNESS WHEREOF, the parties have executed this Second Amendment to Loan and Security Agreement as of the date written above.

Exelixis, Inc.

By: /s/ Frank Karbe

Name: Frank Karbe
Title: Senior Vice President &
Chief Financial Officer

SmithKline Beecham Corporation

By: /s/ Donald F. Parman

Name: Donald F. Parman

Title: Vice President & Secretary