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): August 5, 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)

Item 12. Results of Operations and Financial Condition.

On August 5, 2004, Exelixis, Inc. issued a press release announcing financial results for the quarter ended June 30, 2004. A copy of such press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information in this report, including the exhibit hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by Exelixis, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

The information furnished in this report, including the exhibit hereto, shall not be deemed to constitute an admission that such information or exhibit is required to be furnished by Regulation FD or that the information or exhibit in this report contains material information that is not otherwise publicly available.

Use of Non-GAAP Financial Information

Exelixis provides certain historical net loss and future operating expense information in the press release to illustrate the company's results from operations excluding restructuring charges, acquired in-process research and development and certain non-cash charges, including (a) stock-based compensation expense and (b) amortization of purchased intangibles related to business combinations. Exelixis' management believes that the presentation of these non-GAAP results is a useful measure of the company's results from operations, excluding the restructuring charges, acquired in-process research and development and non-cash charges, which, in management's view, are not necessarily reflective of, or directly attributable to operations. These

non-GAAP results are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies.

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: August 5, 2004

Exelixis, Inc.

/s/ Frank Karbe

Frank Karbe
Senior Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)

E X E L I X I S

For Immediate Release

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EXELIXIS ANNOUNCES SECOND QUARTER 2004 FINANCIAL RESULTS

SOUTH SAN FRANCISCO, Calif. - August 5, 2004 - Exelixis, Inc. (Nasdaq: EXEL) today reported financial results for the quarter ended June 30, 2004.

Second Quarter 2004 Financial Results

Net loss, under generally accepted accounting principles (GAAP), was approximately $29.3 million, or $0.41 per share, compared to a GAAP net loss of $23.4 million, or $0.39 per share, for the second quarter 2003. Non-GAAP net loss, excluding restructuring expense, acquired in-process research and development and non-cash charges for stock compensation and amortization of intangibles, was approximately $27.0 million, or $0.37 per share, compared to approximately $23.9 million, or $0.40 per share, for the second quarter of 2003. A reconciliation of GAAP net loss to non-GAAP net loss is set forth at the end of this press release.

Cash, cash equivalents, short-term investments and restricted cash totaled approximately $170.3 million, compared to $207.0 million at March 31, 2004 and $241.9 million at December 31, 2003.

Revenues were approximately $12.6 million, compared to $13.0 million for the same period of 2003. The decrease from 2003 to 2004 was primarily a result of the successful conclusion of our collaboration with Protein Design Labs in May 2003, partially offset by milestone revenue earned under our Bristol-Myers Squibb collaboration, following the completion of another draft pick of novel cancer targets during the second quarter of 2004.

Research and development expenses were approximately $34.4 million, compared to $32.5 million for the equivalent period of 2003. The increase in 2004 from the 2003 level was driven primarily by increased expenses associated with advancing the company's clinical and pre-clinical development programs.

General and administrative expenses remained constant at approximately $4.7 million for the quarters ended June 30, 2004 and 2003.

Restructuring expenses totaled approximately $1.7 million and was comprised of involuntary termination benefits. The restructuring charge resulted from the company's second quarter restructuring and consolidation of its research and discovery organizations designed to optimize its ability to generate and advance new drug candidates through clinical development. Most of the headcount reductions took place in the company's research organization and resulted in a reduction in force of 62 positions or approximately 11% of the company's personnel. The restructuring is expected to result in cost savings of at least $5 million in 2004 (excluding the restructuring charge) and annual cost savings of at least $10 million in 2005 and beyond.

Second Quarter 2004 Business Highlights

- XL119: Exelixis initiated a multinational Phase 3 clinical trial in patients with bile duct tumors.
- XL784: We continue to explore the potential of this compound in renal disease, with the goal of pursuing that indication in the clinic in early 2005.
- XL647: We initiated the Phase 1 trial for this novel, orally available anticancer compound that targets multiple receptor tyrosine kinases (RTKs) implicated in tumor proliferation and vascularization (angiogenesis).
- XL999: We filed an investigational new drug application (IND) at the end of June, our second IND for this year. XL999 is another proprietary, novel anticancer compound that targets multiple RTKs.
- XL880, XL820 and XL844: All three compounds continue to advance towards IND applications in the first half of 2005. We also advanced XL184 as a potential IND candidate for the second half of 2005.
- Restructuring: On June 30 we implemented a restructuring and consolidation of our research and discovery organizations, designed to optimize our ability to generate multiple, new INDs per year and rapidly advance these new drug candidates through clinical development.

"Exelixis delivered a strong performance this quarter. We met our clinical and financial goals, and we fortified the company's ability to maintain a robust discovery and development program and meet its long-term goal of building a sustainable pharmaceutical business. We believe that our pipeline represents a remarkable achievement in terms of quality, productivity and value creation. We are executing aggressively on our goal of generating a large and diverse portfolio of anti-cancer compounds that have substantial therapeutic and commercial potential. We are proud of our productivity as well as our fiscal integrity and believe we have set the stage for creating long-term value for our company. I believe 2004 is going to be an important year in our evolution," said George A. Scangos, president and chief executive officer.

Outlook
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With respect to financial expectations for the third quarter of 2004 as compared to the second quarter, we anticipate that revenues will decrease in the range of 4% to 9% and that operating expenses, excluding restructuring charges, acquired in-process research and development and non-cash charges, will increase in the range of 4% to 9%.

As a result of our second quarter 2004 restructuring, we are revising our 2004 financial guidance for both operating expenses and cash and investments balance. For the year ending December 31, 2004 as compared to 2003, we anticipate that operating expenses, excluding restructuring charges, acquired in-process research and development and non-cash charges, will increase in the range of 10% to 15%. The company's cash, cash equivalents, short-term investments and restricted cash balance at the end of 2004 is expected to exceed $180 million, including estimated proceeds of $30 million in 2004 from our loan facility with GlaxoSmithKline.

The above guidance does not reflect the potential impact of any product in-licensing, equity offering or business combination that may be closed or entered into after June 30, 2004.

Conference Call and Webcast
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Exelixis' management will discuss the company's second quarter 2004 financial results and outlook as well as other developments in the company's business during a conference call beginning at 5:00 p.m. U.S. EDT today, Thursday, August 5, 2004. To participate in the conference call, log onto www.exelixis.com and
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click on the webcast link under the heading "Investor Info" to access the live call. A copy of Exelixis' press releases, including this release, can be found on the company's website at www.exelixis.com under the heading "Press Room."

About Exelixis
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Exelixis, Inc. (Nasdaq: EXEL) is a leading genomics-based drug discovery company dedicated to the discovery and development of novel therapeutics. The company is leveraging its fully integrated gene-to-drug platform to fuel the growth of its proprietary drug pipeline. Exelixis' development pipeline includes: XL119 (becatecarin), for which a Phase 3 clinical trial has been initiated in patients with bile duct tumors; XL784, which has completed a Phase 1 clinical trial; XL647, which is currently in a Phase 1 clinical trial; XL999, for which an IND application has been filed; XL880, XL820, XL844 and XL184 anticancer compounds that are potential IND candidates; and multiple compounds in preclinical development. Exelixis has established broad corporate alliances with major pharmaceutical and biotechnology companies, including GlaxoSmithKline (GSK) and Bristol-Myers Squibb Company. Pursuant to a product development and commercialization agreement between Exelixis and GSK, GSK has the option, after completion of Phase 2a clinical trials, to elect to develop a certain number of the cancer compounds in Exelixis' product pipeline, which may include the cancer compounds identified in this press release (other than the company's cancer compound XL119), thus potentially triggering milestone payments and royalties from GSK and co-promotion rights by Exelixis. The company has also established agricultural research collaborations with Bayer CropScience, Dow AgroSciences and Renessen LLC. Other partners include Merck & Co., Inc., Schering-Plough Research Institute, Inc., Cytokinetics, Inc., Elan Pharmaceuticals, Inc. and Scios Inc. For more information, please visit the company's web site at www.exelixis.com.
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This press release contains forward-looking statements, including without limitation statements related to our ability to enter into new collaborations, continue existing collaborations and receive milestones and royalties derived from future products developed from research efforts under collaborative agreements; the rate of growth, if any, in license and contract revenues; the timing and level of expenses associated with the growth of proprietary programs and the GSK collaboration; the rate of growth, if any, in license and contract revenues; our estimated future balances of cash, cash equivalents, short-term investments and restricted cash; the potential failure of Exelixis' product

candidates to demonstrate safety and efficacy in clinical testing; the ability of Exelixis to file IND applications and initiate clinical trials at the referenced times; the ability of Exelixis to conduct the Phase 3 clinical trial of XL119 sufficient to achieve FDA approval; the ability of Exelixis to successfully advance and develop additional compounds including XL784, XL647, XL999, XL880, XL820, XL844 and XL184; the matters discussed in the "Outlook" section and others. These and other risk factors are discussed under "Risk Factors" and elsewhere in our quarterly report on Form 10-Q for the quarter ended June 30, 2004 and other filings with the Securities and Exchange Commission. The company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

-see attached financials tables-

EXELIXIS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Revenues:				
Contracts	$ 9,431	$ 9,877	$ 18,195	$ 19,079
License	3,128	3,128	6,256	6,256
Total revenues	12,559	13,005	24,451	25,335
Operating expenses:				
Research and development	34,416	32,453	68,640	62,756
General and administrative	4,702	4,701	10,278	9,869
Restructuring charges	1,738	-	2,275	-
Acquired in-process research and development	395	-	395	-
Amortization of intangibles	167	167	333	333
Total operating expenses	41,418	37,321	81,921	72,958
Loss from operations	(28,859)	(24,316)	(57,470)	(47,623)
Other income (expense):				
Interest income	782	1,042	1,698	2,268
Interest expense	(1,221)	(914)	(2,454)	(1,832)
Other income (expense), net	7	838	92	874
Total other income (expense)	(432)	966	(664)	1,310
Loss from continuing operations before income taxes	(29,291)	(23,350)	(58,134)	(46,313)
Provision for income taxes	-	(92)	-	(187)
Net loss	$ (29,291)	$ (23,442)	$ (58,134)	$ (46,500)
Net loss per share, basic and diluted	$ (0.41)	$ (0.39)	$ (0.81)	$ (0.78)
Shares used in computing basic and diluted loss per share	72,011	60,141	71,762	59,701

EXELIXIS, INC.
RECONCILIATION OF GAAP NET LOSS TO NON-GAAP NET LOSS (1)
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
GAAP net loss	$ (29,291)	$ (23,442)	$ (58,134)	$ (46,500)
Add:				
Restructuring charges	1,738	-	2,275	-
Acquired in-process research and development	395	-	395	-
Non-cash charges for amortization of intangibles	167	167	333	333
Non-cash charges for stock compensation expense	41	133	74	577
Gain from insurance settlement included in other income	-	(773)	-	(773)
Non-GAAP net loss	$ (26,950)	$ (23,915)	$ (55,057)	$ (46,363)
Non-GAAP net loss per share, basic and diluted	$ (0.37)	$ (0.40)	$ (0.77)	$ (0.78)
Shares used in computing basic and diluted Non-GAAP net loss per share	72,011	60,141	71,762	59,701

(1) These non-GAAP amounts are intended to illustrate the company's results from operations excluding acquired in-process research and development, restructuring charges, gain from insurance settlement and certain non-cash charges, including (a) stock-based compensation expense and (b) amortization of purchased intangibles related to business combinations. Management of the company believes the non-GAAP results are a useful measure of the company's results from continuing operations, excluding the non-cash charges, which, in management's view, are not necessarily reflective of or directly attributable to operations. These non-GAAP results are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies.

EXELIXIS, INC.
CONSOLIDATED BALANCE SHEET DATA
(in thousands)

	June 30, 2004	December 31, 2003 (2)
	(unaudited)	
Cash, cash equivalents, short-term investments, including restricted cash of $7.6 million ($4.8 million in 2003)	$ 170,281	$ 241,930
Working capital	129,674	189,968
Total assets	287,193	357,794
Stockholders' equity	107,116	161,482

(2) Derived from the audited consolidated financial statements

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