

Exelixis Achieves \$35 Million in Milestones From GSK

SOUTH SAN FRANCISCO, Calif., May 9 /PRNewswire-FirstCall/ -- Exelixis, Inc. (Nasdaq: EXEL) today announced that it has achieved two milestones totaling \$35 million under its collaboration agreement with GlaxoSmithKline (GSK). The first of these milestones, totaling \$30 million, was achieved as a result of the submission of the investigational new drug (INDs) applications for XL880 in December 2004, and XL820 and XL844 in April 2005. All three of these compounds have shown excellent preclinical efficacy in a variety of tumor models. The Phase I trial for XL880 is underway and the Phase I trials for the other two compounds will commence upon FDA approval. The filing of these INDs brings the number of compounds to six that Exelixis has internally generated and brought into clinical development in the past two years. The \$30 million milestone was part of the amendment to the collaboration signed in January 2005. It recognizes the fact that Exelixis has advanced internally derived compounds into clinical development faster than originally anticipated, and is intended to help support the consequent acceleration of clinical expenses.

The second milestone payment, totaling \$5 million, was achieved as a result of progress that Exelixis has made in earlier stage programs, and is a reflection of the continued productivity of Exelixis' drug discovery and development. "I am gratified by the progress that Exelixis has made in our collaboration with GSK," said Michael Morrissey, Ph.D., senior vice president of discovery. "Our collaboration with GSK has been extremely productive and very positive for both companies. We are grateful for the support and advice that we have received from GSK, and for the confidence they have shown in us by agreeing to advance substantial milestone payments. I believe that we have advanced a number of potentially exciting compounds into clinical development and we are all anticipating the data that will emerge from these trials."

About Exelixis

Exelixis, Inc. is a leading genomics-based drug discovery company dedicated to the discovery and development of novel therapeutics for the treatment of cancer and metabolic diseases. The company is leveraging its fully integrated gene-to-drug platform to fuel the growth of its proprietary drug pipeline. Exelixis' development pipeline is comprised of the following compounds: XL119 (becatecarin), for which a multinational Phase III clinical trial has been initiated in patients with bile duct tumors; XL784, initially an anticancer compound, which completed a Phase I clinical trial and is being developed as a treatment for renal disease; XL647, XL999 and XL880, anticancer compounds currently in Phase I clinical trials; XL820 and XL844, anticancer compounds for which investigational new drug (IND) applications have been filed; XL184, a potential IND candidate for the treatment of cancer; and multiple compounds in preclinical development for diseases including cancer and various metabolic and cardiovascular disorders. 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 IIa clinical trials, to elect to develop a certain number of compounds in Exelixis' product pipeline, which may include the cancer compounds identified in this press release (other than XL119), thus potentially triggering milestone payments and royalties from GSK and co-promotion rights by Exelixis. For more information, please visit the company's web site at <http://www.exelixis.com>.

This press release contains forward-looking statements, including without limitation all statements related to reductions in future payments owed to GSK as part of the collaboration, the therapeutic and commercial potential of XL119, XL784, XL647, XL880, XL999, XL820, XL844 and XL184, other compounds in the Exelixis preclinical pipeline and its program in metabolic

diseases. Words such as "believes," "anticipates," "plans," "expects," "intend," "will," "slated," "goal" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Exelixis' current 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, the ability of the company to successfully conduct the clinical trials for XL119, XL647, XL999, XL880, XL 844 and XL184; the ability of the company to advance additional preclinical compounds into clinical development; the uncertainty of the FDA approval process; and the therapeutic and commercial value of the company's compounds. These and other risk factors are discussed under "Risk Factors" and elsewhere in our annual report on Form 10-K for the year ended December 31, 2004 and other filings with the Securities and Exchange Commission. Exelixis 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.

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SOURCE Exelixis, Inc.

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