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Tularik Announces 2001 First Quarter Financial Results

South San Francisco, Calif. -- April 25, 2001 -- Tularik Inc. (Nasdaq: TLRK) today reported results for the first quarter ended March 31, 2001. Tularik incurred a net loss of \$9.2 million, or \$0.19 per share, compared to a net loss of \$9.3 million, or \$0.21 per share, for the same period in 2000, excluding one-time charges. At March 31, 2001, Tularik had \$263.1 million in cash, cash equivalents and marketable securities.

Clinical Trial Update

Tularik is currently testing four drug candidates in clinical studies, three anti-cancer drug candidates and one anti-cytomegalovirus (“CMV”) drug candidate. These studies are being conducted in the United States, the United Kingdom, Canada, Australia, Hong Kong and Taiwan.

Tularik’s lead drug candidate, T67, is a novel anti-tubulin agent. T67 is distinguished from other tubulin binding agents in that it irreversibly modifies its cellular target, α -tubulin. This feature should allow it to retain activity in multi-drug resistant tumors. In addition, T67 is able to cross the blood brain barrier, suggesting potential utility in the treatment of brain cancer. Tularik is currently conducting five separate Phase II clinical trials for T67 in the 3 most common cancers (non-small cell lung cancer, breast cancer and colorectal cancer), as well as in hepatocellular carcinoma (liver cancer) and glioma (brain cancer). Tularik has observed a partial response in Phase I clinical trials in a patient with liver cancer that was maintained for more than one year.

Tularik’s second anti-tubulin agent, T607, is an analog of T67, but differs from T67 in that it does not cross the blood brain barrier and has a different tissue distribution profile. Tularik observed a partial response in liver cancer with this drug as well, suggesting that the mechanism of action shared by T67 and T607 may have particular utility for the treatment of this aggressive form of cancer. T607 is currently undergoing Phase I dose-escalation studies.

Tularik's third anti-cancer drug candidate is T64. T64 is an anti-metabolite that blocks the synthesis of purines, a building block of DNA. Tularik is currently conducting Phase II trials for T64 in the two most common cancers (non-small cell lung cancer and breast cancer), as well as in head and neck cancer, soft tissue sarcoma and melanoma. In addition, Tularik has initiated five separate combination studies with the existing cancer therapies gemcitabine, doxorubicin, paclitaxel, carboplatin and temozolomide.

Tularik has completed single and multiple dose Phase I clinical trials for its oral anti-CMV drug candidate, T611. CMV is a ubiquitous herpes virus that causes serious disease in immunocompromised patients. T611 inhibits a CMV enzyme that is essential for viral replication. Phase I studies have shown that T611 is orally available and well tolerated. In particular, results of the studies have shown no bone marrow toxicity, which is the major liability of the current leading anti-CMV drug, ganciclovir. Tularik expects to initiate a Phase II study in renal transplant patients in the second half of 2001.

Financial Results

Revenue from collaborative research and development for the first quarter of 2001 was \$7.0 million compared to 2000 first quarter revenue of \$5.7 million. Revenue included payments for research collaborations with Japan Tobacco relating to obesity, lipid disorders and metabolic diseases, Knoll relating to obesity and Roche Bioscience relating to inflammation.

Total research and development expenses for the first quarter of 2001 increased to \$18.4 million from \$15.0 million for the same period in 2000, due largely to increased numbers of clinical studies, higher research headcount, as well as manufacturing costs for Tularik's anti-cancer and anti-CMV drug candidates. In addition, new research in metabolic diseases contributed to higher research costs in the first quarter of 2001.

Total general and administrative expenses for the first quarter of 2001 increased to \$2.7 million from \$2.1 million for the same period in 2000, primarily due to higher administrative headcount and higher patent legal costs.

The 2000 first quarter loss included two non-cash charges of \$5.4 million and \$4.8 million, the first related to the acceleration of vesting of certain options and restricted stock and the second related to the implementation of *Staff Accounting Bulletin 101* guidelines issued by the SEC.

Tularik is engaged in the discovery and development of a broad range of novel and superior orally available drugs that act through the regulation of gene expression. Tularik programs address cancer, viral diseases, inflammation, immune disorders, lipid disorders, diabetes, bacterial diseases and obesity. Tularik has established strategic partnerships with Japan Tobacco Inc., Roche Bioscience and Knoll AG. For more information, visit Tularik's Internet website at www.tularik.com.

This press release contains “forward-looking” statements. For this purpose, any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as “believes,” “anticipates,” “plans,” “expects,” “will,” “intent” and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause the results of Tularik to differ materially from those indicated by these forward-looking statements, including, among others, risks detailed from time to time in Tularik’s SEC reports, including its Annual Report on Form 10-K for the year ended December 31, 2000.

TULARIK INC.

SELECTED FINANCIAL INFORMATION Condensed Consolidated Statements of Operations (In thousands, except share and per share amounts)

	Three months ended March 31,	
	2001 (unaudited)	2000 (unaudited)
Revenue:		
Collaborative research and development	\$ 7,041	\$ 5,676
Operating expenses:		
Research and development	18,427	14,995
General and administrative	2,707	2,058
Amortization of deferred stock compensation	385	776
Charge for acceleration of stock and option vesting	-	5,396
	<u>21,519</u>	<u>23,225</u>
Loss from operations	(14,478)	(17,549)
Interest and other income	5,697	3,179
Interest expense	<u>(391)</u>	<u>(357)</u>
Loss before the cumulative effect of a change in accounting principle	(9,172)	(14,727)
Cumulative effect of a change in accounting principle	-	(4,800)
Net loss	<u>\$ (9,172)</u>	<u>\$ (19,527)</u>
<u>Basic and diluted amounts per share:</u>		
Loss before cumulative effect of a change in accounting principle	<u>\$ (0.19)</u>	<u>\$ (0.33)</u>
Cumulative effect of a change in accounting principle	<u>\$ -</u>	<u>\$ (0.11)</u>
Net loss	<u>\$ (0.19)</u>	<u>\$ (0.44)</u>
Weighted average shares used in computing basic and diluted net loss per share	<u>48,338,654</u>	<u>44,671,923</u>

Balance Sheet Highlights

(In thousands)

	March 31, 2001 (unaudited)	December 31, 2000 (Note)
Cash, cash equivalents and marketable securities	\$ 263,119	\$ 278,903
Total assets	\$ 299,616	\$ 315,098
Stockholders' equity	\$ 236,723	\$ 247,298

(Note): Derived from audited consolidated financial statements at that date.