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Tularik Reports Full Year 2001 Financial Results

South San Francisco, Calif., February 13, 2002 -- Tularik Inc. (Nasdaq: TLRK) today reported financial results for the year ended December 31, 2001. Revenue for the year ended December 31, 2001 was \$32.6 million, compared to \$25.5 million in 2000. Net losses for the year ended December 31, 2001 were \$48.6 million, or \$0.99 per share, compared to \$43.3 million, or \$0.92 per share, for the same period in 2000. At December 31, 2001, Tularik had \$241.4 million in cash, cash equivalents and marketable securities.

Clinical Progress:

- The Company plans to pursue various clinical trials in cancer and cytomegalovirus (CMV) disease.
- Tularik's novel anti-tubulin agent, T67, is moving forward in the clinic for the treatment of hepatocellular carcinoma (liver cancer). Tularik will decide during the first quarter whether to hold an end of phase II meeting with the FDA and initiate phase III trials or focus on additional phase II studies to further refine the dosing regimen.
- Tularik's second anti-cancer drug candidate, T607, is an analog of T67. The phase II dosing regimen has been selected and the Company expects to begin phase II studies during the second quarter. Malignancies to be studied include hepatocellular carcinoma, non-Hodgkin's lymphoma, gastric/esophageal cancer and ovarian cancer.
- Data from phase I trials with T607 and phase II trials with T67 will be available at the American Society of Clinical Oncology (ASCO) meeting in May.
- Tularik's third anti-cancer drug candidate, T64, is an anti-metabolite. T64 is completing a phase II trial in 1st line non small-cell lung cancer (NSCLC).
- T611, Tularik's oral drug to prevent CMV disease in transplant patients, is progressing through a phase II proof-of-concept trial. The Company plans to complete that trial, as well as initiate two phase II kidney transplant trials, during the first half of 2002, and initiate a phase II study in bone marrow transplant patients during the second half of the year.

Additional Highlights:

- Tularik's Oncogene Discovery Program yielded two additional novel oncogenes since the third quarter of 2001, bringing the total number of novel oncogenes discovered by the Company to 20. Seven of these genes encode cell surface proteins or secreted proteins that are good targets for antibody therapeutics. 12 of these genes encode attractive small molecule targets.
- Tularik announced on January 9, 2002 that it had signed a collaboration with Medarex, Inc. (Nasdaq: MEDX) to develop and commercialize human therapeutic antibodies based on three novel oncogenes discovered by Tularik. As part of the deal, Medarex purchased \$5 million of Tularik stock at approximately \$50 per share. The two companies will split commercialization rights equally.

Financial Results

Revenues from collaborative research and development for the three and twelve months ended December 31, 2001 were \$8.7 and \$32.6 million, respectively, compared to three and twelve month revenues in 2000 of \$6.8 and \$25.5 million, respectively. During 2001, revenue included payments from research collaborations with Japan Tobacco Inc. relating to metabolic diseases, Roche Bioscience relating to inflammation, Knoll AG relating to obesity and Eli Lilly and Company relating to thrombosis. The Lilly collaboration was inherited as part of the acquisition of the Computer Aided Molecular Design (CAMD) business of Protherics PLC in July 2001.

Total research and development expenses for the three months and twelve months ended December 31, 2001 increased to \$26.9 and \$90.5 million, respectively, from \$18.0 and \$63.4 million for the same periods in 2000. The increase in fiscal year 2001 compared to 2000 is primarily due to higher research and development headcount and supply costs, higher depreciation, rent and utility expenses related to the CAMD acquisition and internal expansion, higher preclinical study and sponsored research costs and higher manufacturing and compound acquisition costs.

Total general and administrative expenses for the three months ended December 31, 2001 increased to \$2.9 million from \$2.7 million for the same period in 2000, primarily due to incrementally higher administrative headcount. Total general and administrative expenses for the year ended December 31, 2001 increased to \$11.5 million from \$9.3 million for the same period in 2000, due to higher administrative headcount and higher legal costs.

Net losses for the three months ended December 31, 2001 were \$13.2 million, or \$0.27 per share, compared to a net loss of \$9.4 million, or \$0.20 per share, for the same period in 2000. For the year ended December 31, 2001, net losses were \$48.6 million, or \$0.99 per share, compared to \$43.3 million, or \$0.92 per share, for the same period in 2000. The 2001 net losses are reduced by realized gains from certain venture-stage investments by the Company.

About Tularik

Tularik is engaged in the discovery and development of a broad range of novel and superior orally available medicines that act through the regulation of gene expression. Tularik's scientific platform spans seven disease-based programs. To date, the Company has created a robust pipeline of drug candidates focused on three areas: cancer, immunology and metabolic disease. 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," "intends" 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 the report on Form 10-Q for the quarter ended September 30, 2001.

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

	Three months ended		Year ended	
	December 31,		December 31,	
	2001	2000	2001	2000
	(unaudited)	(unaudited)	(unaudited)	(Note)
Revenue:				
Collaborative research and development	\$ 8,747	\$ 6,843	\$ 32,632	\$ 25,487
Operating expenses:				
Research and development	26,878	18,014	90,480	63,397
General and administrative	2,942	2,722	11,474	9,348
Amortization of deferred stock compensation	197	367	1,129	2,230
Charge for acceleration of stock and option vesting	-	-	-	5,396
	<u>30,017</u>	<u>21,103</u>	<u>103,083</u>	<u>80,371</u>
Loss from operations	(21,270)	(14,260)	(70,451)	(54,884)
Interest and other income	2,882	5,283	15,033	17,908
Realized gains on investments	5,554	-	8,390	-
Interest expense	<u>(398)</u>	<u>(383)</u>	<u>(1,541)</u>	<u>(1,481)</u>
Loss before the cumulative effect of a change in accounting principle	(13,232)	(9,360)	(48,569)	(38,457)
Cumulative effect of a change in accounting principle	-	-	-	(4,800)
Net loss	<u>\$ (13,232)</u>	<u>\$ (9,360)</u>	<u>\$ (48,569)</u>	<u>\$ (43,257)</u>
<u>Basic and diluted amounts per share:</u>				
Loss before cumulative effect of a change in accounting principle	<u>\$ (0.27)</u>	<u>\$ (0.20)</u>	<u>\$ (0.99)</u>	<u>\$ (0.82)</u>
Cumulative effect of a change in accounting principle	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.10)</u>
Net loss	<u>\$ (0.27)</u>	<u>\$ (0.20)</u>	<u>\$ (0.99)</u>	<u>\$ (0.92)</u>
Weighted average shares used in computing basic and diluted net loss per share	<u>49,639,292</u>	<u>47,807,099</u>	<u>49,051,339</u>	<u>46,845,374</u>

Balance Sheet Highlights
(In thousands)

	December 31,	December 31,
	2001	2000
	(unaudited)	(Note)
Cash, cash equivalents and marketable securities	\$ 241,432	\$ 278,903
Total assets	\$ 292,788	\$ 315,098
Stockholders' equity	\$ 207,477	\$ 247,298

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

