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Tularik Announces 2000 First Quarter Financial Results

South San Francisco, Calif. -- April 25, 2000 -- Tularik Inc. (Nasdaq: TLRK) today reported results for the first quarter ended March 31, 2000. Tularik incurred a net loss of \$9.3 million, or \$0.21 per share, which excludes two special, non-cash charges described below, compared to a net loss of \$4.3 million, or \$0.59 per diluted share, for the same period in 1999. Including the two special charges, the net loss for the first quarter of 2000 was \$19.5 million, or \$0.44 per diluted share. At March 31, 2000, Tularik had \$253.2 million in cash, cash equivalents and marketable securities.

Tularik recently completed its secondary public offering. Including the proceeds from the exercise of the underwriters' over-allotment option on April 12, total net proceeds to the Company from the offering were approximately \$71.3 million. "The proceeds from this secondary offering provide Tularik with capital for the continued advancement of our product portfolio," said David V. Goedel, Ph.D., Chief Executive Officer. "Our three anticancer drugs in development, T67, T607 and T64, are advancing on schedule. In addition, we are anticipating commencement of clinical trials for an anti-CMV drug later this year."

Tularik is currently in advanced phase I clinical trials for its lead anticancer drug, T67. In anticipation of determining the phase II dose, Tularik is developing several phase II protocols and anticipates enrolling patients under these protocols during the third quarter of 2000. For its T607 anticancer candidate, Tularik initiated phase I studies in the United States and the United Kingdom in the first quarter. In addition, Tularik has been granted approval in Canada for a third phase I clinical trial that is expected to begin in the second quarter. Tularik has also submitted five phase II and four phase I protocols relating to T64 for review by various ethics committees among 35 sites internationally.

Revenue from collaborative research and development for the first quarter of 2000 was \$5.7

million, compared to 1999 first quarter revenue of \$5.9 million. Revenue was in line with expectations and primarily included collaborative revenue from Japan Tobacco in obesity/diabetes, Knoll AG in obesity, Japan Tobacco in orphan nuclear receptors and Roche Bioscience in inflammation.

Total research and development expenses for the first quarter of 2000 increased to \$15.0 million from \$10.1 million for the same period in 1999, due largely to increased numbers of preclinical and clinical studies, as well as manufacturing costs for T64.

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 guidelines issued by the SEC. Under these *Staff Accounting Bulletin ("SAB") 101* guidelines, effective January 1, 2000, Tularik changed its method of accounting for non-refundable, up-front fees collected under collaborative research and development contracts. Such fees had previously been recognized when received, but now are being recognized over the term of the contract. In July 1997 and in November 1998, Tularik received up-front payments from Roche Bioscience and Knoll AG that were then appropriately recognized as revenue, but now must be recognized under the *SAB 101* guidelines on a straight-line basis through 2002 and 2003, respectively.

Tularik is engaged in the discovery and development of a broad range of novel and superior orally available drugs based on gene regulation. Tularik programs address cancer, CMV, diabetes, obesity, inflammation, allergy/asthma, hypercholesterolemia and bacterial diseases, and a class of targets known as orphan nuclear receptors. Tularik has established strategic partnerships with Japan Tobacco Inc., Roche Bioscience and Knoll AG.

Statements in this press release that are not strictly historical are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. There can be no assurance that Tularik will obtain necessary regulatory approvals for its drug candidates or be able to develop a commercially viable pharmaceutical product. These and other risks are more fully discussed in Tularik's SEC reports, including the report on Form 10-K for the year ended December 31, 1999.

For additional information, visit Tularik's Internet website at www.tularik.com.