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Tularik Reports Full Year 2000 Financial Results

South San Francisco, Calif. – February 14, 2001 -- Tularik Inc. (Nasdaq:TLRK) today reported results for the three and twelve months ended December 31, 2000. For the three months ended December 31, 2000, Tularik incurred a net loss of \$9.4 million, or \$0.20 per share, compared to a net loss of \$6.6 million, or \$0.17 per share, for the same period in 1999. For the year ended December 31, 2000, Tularik incurred a net loss of \$43.3 million, or \$0.92 per share, compared to a net loss of \$25.5 million, or \$0.73 per share, for the same period in 1999. At December 31, 2000, Tularik had \$278.9 million in cash, cash equivalents and marketable securities.

Clinical Trial Update

Tularik currently is testing four drug candidates in clinical studies. These studies are being conducted in the U.S., the UK, Canada, the Netherlands, Australia, Hong Kong and Taiwan.

Tularik is testing T67, its anti-cancer drug candidate that disrupts microtubule formation, in five separate Phase II studies in patients with hepatocellular carcinoma, non-small cell lung cancer, breast cancer, colorectal cancer and glioma. T607 is Tularik's second anti-cancer drug candidate and an analogue of T67. T607 is currently in Phase I clinical trials. T64, Tularik's third anti-cancer drug candidate, is an antifolate that disrupts the synthesis of DNA. Tularik is currently testing T64 in five separate Phase II studies involving patients with head and neck cancer, soft tissue sarcoma, melanoma, breast cancer and non-small cell lung cancer. In addition, Tularik is testing T64 in four Phase I combination studies with gemcitabine, doxorubicin, paclitaxel and carboplatin. Tularik anticipates enrolling patients in one additional study combining T64 with temozolomide starting in the first quarter of 2001. Tularik is also in Phase I testing of its oral anti-cytomegalovirus drug candidate, T611, that acts by inhibiting a key enzyme necessary for replication of cytomegalovirus (CMV). CMV is a ubiquitous virus that causes serious infection in patients with compromised or immature immune systems, particularly transplant recipients, AIDS patients and infants born to CMV-infected mothers. A single-dose

Phase I study and a multiple-dose Phase I study have been completed in healthy volunteers. Tularik expects to initiate a Phase II study in renal transplant patients in the second half of 2001.

Financial Results

Revenues from collaborative research and development for the three and twelve months ended December 31, 2000 were \$6.8 and \$25.5 million respectively, compared to 1999 three and twelve month revenues of \$6.0 and \$23.8 million, respectively. Revenue included payments for research collaborations with Japan Tobacco relating to obesity, orphan nuclear receptors and metabolic diseases, Knoll AG relating to obesity and Roche Bioscience relating to inflammation.

Total research and development expenses for the three months and twelve months ended December 31, 2000 increased to \$18.0 and \$63.4 million, respectively, from \$11.0 and \$45.9 million for the same periods in 1999. The increase in fiscal year 2000 compared to 1999 is primarily due to more ongoing preclinical and clinical studies, and related manufacturing costs. In addition, new research in metabolic diseases contributed to higher research and development costs in the second half of 2000 compared to the second half of 1999.

Total general and administrative expenses for the three months ended December 31, 2000 increased to \$2.7 million from \$2.1 million for the same period in 1999, primarily due to non-cash, stock-based consultant compensation, a charge being required for non-employee stock compensation under generally accepted accounting principles, higher international patent legal expenses and the increased costs associated with operating as a publicly traded company. Total general and administrative expenses for the year ended December 31, 2000 increased to \$9.3 million from \$6.0 million for the same period in 1999.

Net loss for the year ended December 31, 2000 included two non-cash charges of \$5.4 million and \$4.8 million that were reported in the first quarter of 2000. The first charge 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 under the SAB 101 guidelines are being recognized 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 which act through the regulation of gene expression. Tularik programs address cancer, viral diseases, diabetes, obesity, inflammation, immune disorders, lipid disorders 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. 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, 1999 and its most recent Quarterly Report on Form 10-Q for the quarter ended September 30, 2000.

TULARIK INC.

Selected Financial Information

(In thousands, except share and per share amounts)

	Three months ended December 31,		Year ended December 31,	
	2000 (unaudited)	1999 (unaudited)	2000 (unaudited)	1999
Revenue:				
Collaborative research and development	\$ 6,843	\$ 5,950	\$ 25,487	\$ 23,806
Operating expenses:				
Research and development	18,014	11,022	63,397	45,877
General and administrative	2,722	2,134	9,348	6,037
Amortization of deferred stock compensation	367	931	2,230	2,651
Charge for acceleration of stock and option vesting	-	-	5,396	-
	<u>21,103</u>	<u>14,087</u>	<u>80,371</u>	<u>54,595</u>
Loss from operations	(14,260)	(8,137)	(54,884)	(30,759)
Interest and other income	5,283	2,019	17,908	6,357
Interest expense	(383)	(466)	(1,481)	(1,136)
Loss before the cumulative effect of a change in accounting principle	(9,360)	(6,584)	(38,457)	(25,538)
Cumulative effect of a change in accounting principle	-	-	(4,800)	-
Net loss	<u>\$ (9,360)</u>	<u>\$ (6,584)</u>	<u>\$ (38,457)</u>	<u>\$ (25,538)</u>
<u>Basic and diluted amounts per share:</u>				
Loss before cumulative effect of a change in accounting principle	\$ (0.20)	\$ (0.17)	\$ (0.82)	\$ (0.73)
Cumulative effect of a change in accounting principle	-	-	(0.10)	-
Net loss	<u>\$ (0.20)</u>	<u>\$ (0.17)</u>	<u>\$ (0.92)</u>	<u>\$ (0.73)</u>
Weighted-average shares used in computing basic and diluted net loss per share	<u>47,807,099</u>	<u>37,778,145</u>	<u>46,845,374</u>	<u>34,828,772</u>

Balance Sheet Highlights

(In thousands)

	December 31, 2000 (unaudited)	December 31, 1999 (Note)
Cash, cash equivalents and marketable securities	\$ 278,899	\$ 203,029
Total current assets	\$ 315,098	\$ 230,438
Stockholders' equity	\$ 247,298	\$ 197,569

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