



Contact: Tularik Inc.  
Traci McCarty (investors/media)  
650-825-7182

## **Tularik Announces 2002 Third Quarter Financial Results**

**South San Francisco, Calif.** -- October 15, 2002 -- Tularik Inc. (Nasdaq: TLRK) today reported results for the three and nine months ended September 30, 2002. Net loss for the third quarter of 2002 was \$22.9 million, or \$0.45 per share, compared to a net loss of \$14.2 million, or \$0.29 per share, for the third quarter of 2001. At September 30, 2002, Tularik had \$178.1 million in cash, cash equivalents and marketable securities, including \$21.1 million attributable to Tularik's majority-owned subsidiary, Cumbre Inc. (Cumbre).

### **Third Quarter Update**

- Tularik received written notice that the FDA was satisfied with the pivotal study program for T67, its lead anti-cancer drug. The Phase 2/3 study is expected to include up to 750 Hepatocellular Carcinoma (HCC) patients who will receive T67 as first-line treatment and will be performed at numerous centers across the U.S., Europe and Asia. Tularik expects to begin enrolling patients early next year. T67 is a novel anti-tubulin agent that irreversibly binds to  $\alpha$ -tubulin.
- T607, Tularik's second anti-tubulin agent, 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. T607 is currently undergoing Phase 2 study testing in HCC, non-Hodgkin's lymphoma, gastric cancer and ovarian cancer.
- Tularik began a Phase 1 dose-escalation trial of T487, a novel drug candidate for the treatment of inflammatory conditions. T487 is an orally bioavailable small molecule agent that targets a specific chemokine receptor. Chemokine receptors are cell surface proteins involved in the inflammatory response. The trial is being conducted in healthy adult volunteers in the United Kingdom.
- Edward W. Holmes, M.D., Vice Chancellor for Health Sciences and Dean of the School of Medicine at the University of California, San Diego (UCSD), joined Tularik's Board of Directors. Prior to joining UCSD, Dr. Holmes served as the Dean of the School of Medicine, Vice Chancellor for Academic Affairs and the Walter Kempner Professor of Medicine and Genetics at Duke University. Dr. Holmes is active on the NIH Scientific Boundaries Panel, the Scientific Advisory Board of GlaxoSmithKline and the National Diabetes and Digestive and Kidney Diseases Advisory Council of the National Institute of Health.

- Tularik appointed Natalie McClure, Ph.D., to Vice President, Regulatory Affairs and Compliance, Mary Jean Stempien, M.D., F.A.C.P., to Vice President, Clinical Development and Ira Stoler, to Vice President and Chief Information Officer.

## **Financial Results**

Total research and development expenses for the third quarter of 2002 increased to \$26.3 million, from \$23.7 million for the third quarter of 2001. This increase was largely due to the expanded research operations of Cumbre, the acquisition of the computer-aided molecular design business of Protherics PLC in July 2001, an increase in manufacturing costs, sponsored research costs and costs related to additional research and development personnel. Increased costs were partially offset by cost efficiencies realized in our compound screening efforts.

Total general and administrative expenses for the third quarter of 2002 increased to \$2.9 million, from \$2.7 million for the third quarter of 2001, primarily due to higher patent legal costs.

## **Webcast**

Tularik will host a conference call at 8:45 a.m. Eastern Time on October 16, 2002 to discuss third quarter results. The live webcast can be accessed by visiting Tularik's Internet website at [www.tularik.com](http://www.tularik.com) under the "Investor Relations" tab. Following the webcast, an archived version of the call will be available for several days.

## **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 is focused on three therapeutic areas: cancer, immunology and metabolic disease. The Company currently has three drug candidates in clinical trials. T67 is moving into a pivotal Phase 2/3 study for the treatment of Hepatocellular Carcinoma (HCC) and T607 is in four Phase 2 trials for the treatment of HCC, non-Hodgkin's lymphoma, ovarian cancer and gastric cancer. T487, for the treatment of inflammatory diseases, is in a Phase 1 trial to evaluate safety. For more information, visit Tularik's Internet website at [www.tularik.com](http://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 June 30, 2002 and the report on Form 10-K for the year ended December 31, 2001. Tularik does not undertake any obligation to update forward-looking statements.*

## TULARIK INC.

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

	Three-months ended September 30,		Nine-months ended September 30,	
	2002 (unaudited)	2001 (unaudited)	2002 (unaudited)	2001 (unaudited)
Revenue:				
Collaborative research and development	\$ 5,551	\$ 8,529	\$ 18,302	\$ 23,885
Operating expenses:				
Research and development	26,344	23,736	80,168	64,180
General and administrative	<u>2,898</u>	<u>2,660</u>	<u>8,900</u>	<u>8,886</u>
	<u>29,242</u>	<u>26,396</u>	<u>89,068</u>	<u>73,066</u>
Loss from operations	(23,691)	(17,867)	(70,766)	(49,181)
Interest and other income	1,144	3,348	4,092	12,151
Realized gains on sale of securities	-	674	-	2,836
Interest expense	<u>(391)</u>	<u>(384)</u>	<u>(1,185)</u>	<u>(1,143)</u>
Net loss	<u>\$ (22,938)</u>	<u>\$ (14,229)</u>	<u>\$ (67,859)</u>	<u>\$ (35,337)</u>
<u>Basic and diluted amounts per share:</u>				
Net loss	<u>\$ (0.45)</u>	<u>\$ (0.29)</u>	<u>\$ (1.35)</u>	<u>\$ (0.72)</u>
Weighted average shares used in computing basic and diluted net loss per share	<u>50,697,103</u>	<u>49,390,492</u>	<u>50,373,847</u>	<u>48,845,929</u>

### Balance Sheet Highlights

(In thousands)

	September 30, 2002 (unaudited)	December 31, 2001 (Note)
Cash, cash equivalents and marketable securities	\$ 178,061*	\$ 241,926
Total assets	\$ 228,616	\$ 293,282
Stockholders' equity	\$ 146,424	\$ 207,971

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

\* Includes cash and cash equivalents of approximately \$21.1 million from Cumbre Inc.