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## **Tularik Initiates Phase 2 Clinical Trial of T131 in Type 2 Diabetes**

**South San Francisco, Calif.** – January 7, 2004 -- Tularik Inc. (Nasdaq: TLRK) today announced the recent initiation of a Phase 2 efficacy and safety study with T131 for the treatment of patients with type 2 (insulin resistant) diabetes mellitus. T131, an orally-administered therapy, is expected to lower blood glucose in diabetic patients by improving the body's ability to respond to insulin.

This Phase 2, double-blind, placebo-controlled study will enroll approximately 60 type 2 diabetic patients whose blood glucose has not been adequately controlled with diet and exercise. Patients will receive T131 or placebo once daily for 28 days. The effectiveness of T131 will be assessed by measuring fasting blood glucose, insulin, and hemoglobin A1c (which reflects average glucose levels over time). The study is being conducted at multiple centers in the U.S.

“Our therapeutic goal is to treat the underlying insulin resistance of type 2 diabetes without inducing side effects, such as fluid retention, weight gain and congestive heart failure,” said Michael Levy, MD, Vice President of Development and Chief Medical Officer of Tularik. “Given the excellent results observed in preclinical and Phase 1 studies, we are hopeful that T131 will become a new and preferred treatment option for the growing population of patients suffering from type 2 diabetes.”

T131 is a selective modulator of PPAR $\gamma$  (peroxisome proliferator activated receptor gamma), a receptor involved in regulating the body's ability to respond to insulin. T131 is not structurally related to the thiazolidinedione class of PPAR $\gamma$  agonists, which includes Actos $\square$  and Avandia $\square$ . In preclinical studies comparing T131 to Avandia $\square$ , T131 demonstrated superior potency and an improved side effect profile. In these studies, T131 treatment did not result in fluid retention or cardiac hypertrophy. In Phase 1 studies with T131, all doses were well tolerated and no serious adverse events were observed.

### **About Type 2 Diabetes**

Type 2 diabetes develops when the body does not respond effectively to insulin. This results in an elevation of glucose levels in the blood. According to the American Diabetes Association, approximately 16 million people in the United States had type 2 diabetes in 2002. Approximately 900,000 people aged 20 years and older will be diagnosed with type 2 diabetes this year. Diabetes is the fifth-leading cause of death by disease in the United States. According to Deutsche Bank estimates, the market for oral, anti-diabetic drugs is expected to grow from over \$5 billion in 2001 to \$11.5 billion in 2005.

### **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 four drug candidates in clinical trials. In the cancer area, Tularik is currently conducting a pivotal study of T67 for the treatment of hepatocellular carcinoma (HCC) and Phase 2 trials with T607 for the treatment of HCC, ovarian cancer, gastric cancer and esophageal cancer. T487, for the treatment of psoriasis, and T131, for the treatment of type 2 diabetes, are in Phase 2 trials. T487 for the treatment of rheumatoid arthritis is moving into Phase 2 trials. 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 September 30, 2003 and the report on Form 10-K for the year ended December 31, 2002. Tularik does not undertake any obligation to update forward-looking statements.*