



Contacts: Tularik Inc.
Traci McCarty
Director, Investor Relations and Public Relations
Phone: 650-825-7182
Email: tmccarty@tularik.com

Tularik Announces 2001 Third Quarter Financial Results Initiates Phase II Trial of oral anti-cytomegalovirus (CMV) drug candidate

South San Francisco, Calif. -- October 25, 2001 -- Tularik Inc. (Nasdaq: TLRK) today reported results for the three and nine months ended September 30, 2001. For the three months ended September 30, 2001, Tularik incurred a net loss of \$14.2 million, or \$0.29 per share, compared to a net loss of \$6.8 million, or \$0.14 per share, for the same period in 2000. At September 30, 2001, Tularik had \$264.8 million in cash, cash equivalents and marketable securities, including proceeds from third party equity investments into our majority-owned spin-off, Cumbre Inc.

Revenue from research collaborations with Japan Tobacco relating to obesity, lipid disorders and metabolic diseases, Roche Bioscience relating to inflammation and Knoll relating to obesity for the third quarter of 2001 was \$8.5 million, compared to \$7.1 million for the same period in 2000.

Today, the Company also announced the initiation of Phase II clinical trials with T611, its oral anti-cytomegalovirus (CMV) drug candidate. T611 inhibits a CMV enzyme that is essential for viral replication. The new study will explore the efficacy of T611 in HIV/AIDS patients with CMV infection. CMV is a ubiquitous herpes virus that causes serious disease in immunocompromised patients.

Third Quarter Highlights

- Tularik's genomics-driven Oncogene Discovery Program yielded four oncogenes during the quarter. The Company's proprietary Representational Difference Analysis (RDA) technology, and related microarray technology, identifies cancer genes that are amplified at the DNA level. To date, the Company has discovered 15 novel oncogenes, and expects to continue to discover oncogenes for the most common, lethal cancers.
- Tularik's majority-owned spin-off, Cumbre Inc., which focuses on discovering novel antibacterial drugs, received \$26 million in equity investments from investors. The

amount raised will be used for the operating costs and capital expenditures of Cumbre Inc.

- Tularik entered into a collaboration agreement with NeoGenesis Drug Discovery, Inc. to discover small molecule drug candidates in a number of therapeutic areas. NeoGenesis' novel genomics-based drug discovery technologies complement Tularik's well-established target identification and drug development capabilities.
- Tularik completed the acquisition of the computer-aided molecular design (CAMD) unit of Protherics PLC, a U.K.-based company. As part of the transaction, Tularik acquired proprietary computational chemistry software, a team of experienced software designers and a team of computational chemists and medicinal chemists. By adding virtual screening capabilities to its existing high-throughput screening capabilities, Tularik hopes to accelerate the discovery of high-quality leads against its validated targets.
- Dr. Craig Saxton, who worked for Pfizer Inc for 25 years, joined Tularik's Board of Directors. From 1993 to March 2001, Dr. Saxton was Pfizer's Executive Vice President of Central Research in Groton, CT. In that position, he was responsible for the development of all new drugs discovered or licensed by Pfizer for human therapeutic use.

Clinical Trial Update

- Progress on Tularik's four clinical development programs continued as planned. The Company expects to complete 12 clinical trials by the end of the year.
- T67, Tularik's novel anti-tubulin agent, is distinguished from other tubulin-binding agents in that it irreversibly binds to α -tubulin. Tularik is currently conducting five separate Phase II clinical trials for T67 in hepatocellular carcinoma (liver cancer), the 3 most common cancers (non-small cell lung cancer, breast cancer and colorectal cancer), as well as in glioma (brain cancer). The Company plans to complete all current Phase II trials this year.
- 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 I dose-escalation studies, which the Company anticipates completing this year.
- T64, Tularik's anti-metabolite drug candidate, blocks the synthesis of purines, a building block of DNA. Tularik is currently conducting Phase II trials for T64 in the two most common cancers (non-small cell lung cancer and breast cancer), as well as in head and neck cancer, soft tissue sarcoma and melanoma. In addition, five separate combination studies with the existing cancer therapies gemcitabine, doxorubicin, paclitaxel, carboplatin and temozolomide are progressing through Phase I clinical trials. Tularik anticipates completing all of the current Phase II trials this year, except for the non-small cell lung cancer trial that is expected to be completed during the first half of 2002.

- T611 is Tularik's oral anti-cytomegalovirus (CMV) drug candidate. CMV is a ubiquitous herpes virus that causes serious disease in immunocompromised patients, especially transplant patients. T611 inhibits a CMV enzyme that is essential for viral replication. Single and multiple dose Phase I clinical trials have been completed, and results of the studies have shown no bone marrow toxicity, which is the major limitation of the current leading anti-CMV drug, ganciclovir. Today Tularik initiated a Phase II study to explore the efficacy of T611 in HIV/AIDS patients with CMV infection. In addition, the Company expects to initiate a Phase II study in renal transplant patients in the near future under the aegis of the NIH/NIAID and the Cooperative Antiviral Study Group.

Financial Results

Total research and development expenses for the three month period ended September 30, 2001 increased to \$23.6 million, from \$15.9 million for the same period in 2000, largely due to higher research and development headcount, increased numbers of clinical and preclinical studies, higher compound acquisition costs and higher rent and depreciation costs.

Total general and administrative expenses for the three month period ended September 30, 2001 increased to \$2.6 million, from \$2.1 million for the same period in 2000, primarily due to higher administrative headcount and higher patent legal costs.

As part of the July 2001 acquisition of the CAMD business unit of Protherics PLC, Tularik issued 400,000 shares of common stock. The purchase price was allocated to identifiable tangible and intangible assets and the excess of approximately \$3.0 million was classified as goodwill.

About Tularik

Tularik is engaged in the discovery and development of a broad range of novel and superior orally available drugs that act through the regulation of gene expression. Tularik programs address cancer, viral diseases, inflammation, immune disorders, lipid disorders, diabetes and obesity. 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," "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, 2001.

TULARIK INC.

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2001	2000	2001	2000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue:				
Collaborative research and development	\$ 8,529	\$ 7,144	\$ 23,885	\$ 18,644
Operating expenses:				
Research and development	23,582	15,936	63,602	45,383
General and administrative	2,564	2,091	8,532	6,626
Amortization of deferred stock compensation	250	490	932	1,863
Charge for acceleration of stock and option vesting	-	-	-	5,396
	<u>26,396</u>	<u>18,517</u>	<u>73,066</u>	<u>59,268</u>
Loss from operations	(17,867)	(11,373)	(49,181)	(40,624)
Interest and other income	3,348	5,027	12,151	12,625
Realized gains on sale of securities	674	-	2,836	-
Interest expense	<u>(384)</u>	<u>(406)</u>	<u>(1,143)</u>	<u>(1,098)</u>
Loss before the cumulative effect of a change in accounting principle	(14,229)	(6,752)	(35,337)	(29,097)
Cumulative effect of a change in accounting principle	-	-	-	(4,800)
Net loss	<u>\$ (14,229)</u>	<u>\$ (6,752)</u>	<u>\$ (35,337)</u>	<u>\$ (33,897)</u>
<u>Basic and diluted amounts per share:</u>				
Loss before cumulative effect of a change in accounting principle	<u>\$ (0.29)</u>	<u>\$ (0.14)</u>	<u>\$ (0.72)</u>	<u>\$ (0.63)</u>
Cumulative effect of a change in accounting principle	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.10)</u>
Net loss	<u>\$ (0.29)</u>	<u>\$ (0.14)</u>	<u>\$ (0.72)</u>	<u>\$ (0.73)</u>
Weighted average shares used in computing basic and diluted net loss per share	<u>49,390,492</u>	<u>47,622,581</u>	<u>48,845,929</u>	<u>46,516,258</u>

Balance Sheet Highlights

(In thousands)

	September 30,	December 31,
	2001	2000
	(unaudited)	(Note)
Cash, cash equivalents and marketable securities	\$ 264,758*	\$ 278,903
Total assets	\$ 312,221	\$ 315,098
Stockholders' equity	\$ 239,055	\$ 247,298

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

* Includes cash and cash equivalents of approximately \$26 million from Cumbre Inc.