EXELIXIS INC
Form S-1/A
September 26, 2008
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As filed with the Securities and Exchange Commission on September 26, 2008

Registration No. 333-152166

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

FORM S-1

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

EXELIXIS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**8731**	**04-3257395**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

249 East Grand Ave.

P.O. Box 511

South San Francisco, CA 94083-0511

(650) 837-7000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

George A. Scangos, Ph.D.

President and Chief Executive Officer

Exelixis, Inc.

249 East Grand Ave.

P.O. Box 511

South San Francisco, CA 94083-0511

(650) 837-7000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Suzanne Sawochka Hooper, Esq.

Cooley Godward Kronish LLP

Five Palo Alto Square

3000 El Camino Real

Palo Alto, CA 94306-2155

(650) 843-5000

Approximate date of commencement of proposed sale to the public:

From time to time after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (1)
Common Stock, par value $0.001 per share (2)	1,000,000	$6.37	$6,370,000	$251

(1) Calculated in accordance with Rule 457(c) of the Securities Act. The price per share and aggregate offering price are based on the average of the high and low prices of the registrant s common stock on September 23, 2008, as reported on The Nasdaq Global Select Market. All filing fees payable in connection with the registration of the 1,000,000 shares being registered hereby were previously paid in connection with the filing of the original registration statement.

(2) Includes shares of common stock issuable upon the exercise of warrants issued pursuant to a facility agreement dated as of June 4, 2008 between the registrant and the lenders identified therein. Pursuant to Rule 416 under the Securities Act, this Registration Statement also includes such additional shares as may hereafter be offered or issued to prevent dilution resulting from stock splits, stock dividends, recapitalizations or certain other capital adjustments.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS

Subject to Completion

Preliminary Prospectus dated September 26, 2008

1,000,000 Shares

EXELIXIS, INC.

Common Stock

This prospectus relates to the offer and sale of up to 1,000,000 shares of our common stock by the selling security holders listed on page 21, including their transferees, pledgees or donees or their respective successors, which includes shares of our common stock issuable upon the exercise of warrants issued pursuant to a facility agreement dated as of June 4, 2008 between us and the lenders identified therein. We are registering these shares on behalf of the selling security holders, to be offered and sold by them from time to time.

We will not receive any proceeds from any resale of the shares of common stock being offered by this prospectus. The selling security holders may sell the shares of common stock described in this prospectus in a number of different ways and at varying prices. We provide more information about how the selling security holders may sell their shares of common stock in the section entitled Plan of Distribution on page 24. We will not be paying any underwriting discounts or commissions in this offering.

Our common stock is traded on The Nasdaq Global Select Market under the trading symbol EXEL. On September 23, 2008, the last reported sale price of our common stock was $6.16 per share.

Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading Risk Factors beginning on page 3 before you decide whether to invest in shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is , 2008

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission using the shelf registration process. Under this process, selling security holders may from time to time, in one or more offerings, sell the securities described in this prospectus.

You should rely only on the information contained in or incorporated by reference into this prospectus (as supplemented and amended). We have not authorized anyone to provide you with different information. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus is accurate as of any date other than its date regardless of the time of delivery of the prospectus or any sale of the securities described in this prospectus.

This prospectus and the information incorporated herein by reference includes trademarks, service marks and trade names owned by us or others. All trademarks, service marks and trade names included or incorporated by reference into this prospectus or any applicable prospectus supplement are the property of their respective owners.

We urge you to read carefully this prospectus, together with the information incorporated herein by reference as described under the heading Where You Can Find More Information, before deciding whether to invest in any of the securities being offered.

References in this prospectus to Exelixis, we, us and our refer to Exelixis, Inc., a Delaware corporation, and its subsidiaries. Our principal executive offices are located at 249 East Grand Ave, P.O. Box 511, South San Francisco, CA 94083-0511 and our telephone number is (650) 837-7000. Our web site address is http://www.exelixis.com. The information contained in, or that can be accessed through, our web site is not part of this prospectus.

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PROSPECTUS SUMMARY

This summary may not contain all the information that may be important to you. You should read the entire prospectus, including the financial data and related notes, risk factors and other information incorporated by reference in this prospectus (as supplemented and amended), before making an investment decision.

Company Overview

We are committed to developing innovative therapies for cancer and other serious diseases. Through our integrated drug discovery and development activities, we are building a portfolio of novel compounds that we believe have the potential to be high-quality, differentiated pharmaceutical products. Our most advanced pharmaceutical programs focus on discovery and development of small molecule drugs for cancer.

Utilizing our library of more than 4.5 million compounds, we have integrated high-throughput processes, medicinal chemistry, bioinformatics, structural biology and early *in vivo* testing into a process that allows us to efficiently and rapidly identify highly qualified drug candidates that meet our extensive development criteria.

To date, we have filed 14 investigational new drug applications, or INDs. We believe that our deep pool of drug candidates will enable us to continue to file multiple new INDs each year for the foreseeable future. As our compounds advance into clinical development, we expect to generate a critical mass of data that will help us to understand the full clinical and commercial potential of our product candidates. In addition to guiding the potential commercialization of our innovative therapies, these data may contribute to the understanding of disease and help improve treatment outcomes.

Our current development portfolio includes the following compounds for which we are leading development:

Compound	Principal Targets	Indication	Stage of Development
XL184*	MET, VEGFR2, RET	Cancer	Phase 3
XL647**	EGFR, HER2, VEGFR2	Cancer	Phase 2
XL820*	KIT, VEGFR2, PDGFR	Cancer	Phase 2
XL281*	RAF	Cancer	Phase 1
XL019	JAK2	Cancer	Phase 1
XL844*	CHK1, CHK2	Cancer	Phase 1
XL228*	IGF1R , ABL, SRC	Cancer	Phase 1
XL147	PI3K	Cancer	Phase 1
XL765	PI3K, mTOR	Cancer	Phase 1

* Pursuant to our product development and commercialization agreement with GlaxoSmithKline, GlaxoSmithKline has the option to develop two compounds in our product pipeline. GlaxoSmithKline previously selected XL880 and will be able to choose one additional compound from among XL820, XL184, XL281, XL844 and XL228. On June 27, 2008 we announced that our six year collaboration with GlaxoSmithKline will conclude on October 27, 2008, as scheduled. On July 28, 2008, we announced that proof-of-concept for XL184 had been achieved under our collaboration with GlaxoSmithKline and that we submitted the corresponding data report to GlaxoSmithKline. We anticipate a decision from GlaxoSmithKline by late October 2008.

** Out-licensed to Symphony Evolution, Inc. and subject to a repurchase option as described more fully in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, incorporated herein by reference.

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Based on the strength of our expertise in biology, drug discovery and development, we have established collaborations with major pharmaceutical and biotechnology companies that allow us to retain economic participation in compounds and support additional development of our proprietary products. Through these collaborations, we obtain license fees, research funding, a share of the profits and the opportunity to receive milestone payments and royalties (as applicable) from research results and subsequent product development activities. We also have collaborations in which we retain the right to co-promote products in the United States. We have ongoing commercial collaborations with several leading pharmaceutical and biotechnology companies, including SmithKline Beecham Corporation (which does business as GlaxoSmithKline), Bristol-Myers Squibb Company and Genentech, Inc. We expect to continue to use corporate partnering as a strategic tool to cultivate our assets, help fund our operations and expand the therapeutic and commercial potential of our pipeline.

Our development portfolio supported primarily by our collaboration partners includes the following compounds in preclinical and clinical development:

Compound	Partner	Principal Targets	Indication	Stage of Development
XL880	GlaxoSmithKline	MET, VEGFR2	Cancer	Phase 2
XL518*	Genentech	MEK	Cancer	Phase 1
XL652	Bristol-Myers Squibb	LXR	Metabolic and cardiovascular diseases	Phase 1
XL139	Bristol-Myers Squibb	Hedgehog	Cancer	Phase 1
XL550	Daiichi-Sankyo	MR	Metabolic and cardiovascular diseases	Preclinical
FXR	Wyeth Pharmaceuticals	FXR	Metabolic and liver disorders	Preclinical

* We will continue to be responsible for the phase 1 clinical trial until the point that a maximum tolerated dose, or MTD, is determined. After MTD is achieved, Genentech will be responsible for completing the phase 1 clinical trial and subsequent clinical development.

Though not represented in the tables above, we also have compounds in preclinical development that we are developing internally.

The Offering

The selling security holders named in this prospectus may offer up to 1,000,000 shares of our common stock, which includes shares of our common stock issuable upon the exercise of warrants issued pursuant to a facility agreement dated as of June 4, 2008, or the Facility Agreement, between us and Deerfield Private Design Fund, L.P., Deerfield Private Design International, L.P., Deerfield Partners, L.P. and Deerfield International Limited, which we collectively refer to as the Deerfield Entities. Our common stock currently is listed on the Nasdaq Global Select Market under the symbol EXEL. Shares of common stock that may be offered in this offering, when issued and paid for, will be fully paid and non-assessable. We will not receive any of the proceeds of sales by the selling security holders of any of the securities covered by this prospectus.

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RISK FACTORS

In addition to the factors discussed elsewhere in this prospectus and our other reports filed with the Securities and Exchange Commission, the following are important factors that could cause actual results or events to differ materially from those contained in any forward-looking statements made by us or on our behalf. The risks and uncertainties described below are not the only ones facing the company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks or such other risks actually occurs, our business could be harmed.

Risks Related to Our Need for Additional Financing and Our Financial Results

If additional capital is not available to us, we would be forced to delay, reduce or eliminate our product development programs or commercialization efforts and we may breach our financial covenants.

We will need to raise additional capital to:

- fund our operations and clinical trials;
- continue our research and development efforts; and
- commercialize our product candidates, if any such candidates receive regulatory approval for commercial sale.

As of June 30, 2008, we had $189.8 million in cash and cash equivalents and short-term and long-term marketable securities, which include