**Exelixis: ASCO Abstract of XL184 (Phase II/Glioblastoma) Shows Reduced Dose Can Improve Tolerability; Phase III Study Could Begin in 2H2010**

ASCO abstracts from four trials of XL184 (co-developed with Bristol-Myers) were released. The most important dataset pertains to XL184 in recurrent glioblastoma (GB, Abstract #2006). The data indicate that a **reduced dose of XL184 (125mg versus the 175mg dose used previously) improved the tolerability of XL184 allowing patients to stay on drug longer and perform better.** Exelixis likely to initiate a randomized Phase III trial in this indication in H2:10.

Other abstracts highlighted XL184's durable activity in medullary thyroid cancer (Abstract #5502, a Phase III trial in this indication is enrolling), preliminary evidence of the drug's activity in lung cancer, melanoma and liver cancer (from XL184's discontinuation trial, Abstract #TPS188), and early evidence of activity in lung cancer patients who have developed resistance to Tarceva (Abstract #3017).

**XL184 in GB:** The data indicates that the improved tolerability of the 125mg dose is allowing patients to stay on drug longer and gain additional benefit from therapy. Versus the 175 mg dose, patients on the 125mg dose experienced fewer treatment interruptions (52% vs. 83%) and discontinuations for AEs (8% vs. 20%). As a result, response rates trended modestly higher. Confirmed partial responses were reported in 11 of 37 (30%) patients without prior antiangiogenic therapy on the 125g dose, versus 7 of 34 (21%) patients on the 175mg dose. Progression-free survival at 6 months was also solid at 25%, with a 30% rate of censoring at the time of analysis.

**The data on the 125mg dose are similar to those generated by Avastin.** Exelixis' Phase II trial has enrolled 195 patients and is continuing to enroll additional patients at the 125mg dose. We expect the trial to have 150-200 patients treated at the 125mg dose, at which time Exelixis may elect to discuss the results with the FDA. In the meantime, the company is planning for a Phase III randomized trial, which will be required for EMEA approval.

**Exelixis and Bristol-Myers are also investigating additional dosing regimens of XL184 for possible development in first-line GB.** With estimated 5-10K deaths per year in the U.S. from GB, we estimate the market opportunity for XL184 in recurrent disease at $200-300MM. Exelixis splits U.S. profits with Bristol-Myers 50/50 and is entitled to a double digit royalty on ex- U.S. sales.

**Source:** Cowen and Company/Schmidt, May 21, 2010
**Oncology Indication:** Brain
**Keyword:** Clinical Trials/Pipeline