



Isis To Receive \$1.25 Million Payment As Pfizer Continues Development Of EXC 001

November 2, 2012

CARLSBAD, Calif., Nov. 2, 2012 /PRNewswire/ -- Isis Pharmaceuticals, Inc. (NASDAQ: ISIS) announced today that it will receive a \$1.25 million contingent payment from Pfizer Inc. (NYSE:PFE) triggered by Pfizer's decision to advance EXC 001 into a Phase 2 study. In 2011, Isis received \$4.4 million for its equity ownership of Excaliard from Pfizer's acquisition of Excaliard Pharmaceuticals and, excluding the \$1.25 million, is eligible to receive an additional \$8.35 million in contingent payments upon achievement of various milestones associated with the clinical and commercial progress of EXC 001, also referred to as PF-06473871. Isis also remains eligible to receive milestone and royalty payments under its licensing agreement with Excaliard for EXC 001.

"We have been extremely successful in implementing our business strategy to exploit our antisense drug discovery platform and create many opportunities outside of our core areas of therapeutic focus. The development of EXC 001 is a great example of this success. EXC 001 was co-discovered by Isis and Excaliard and developed to Phase 2 proof-of-principle by Excaliard. Pfizer's commitment to advancing EXC 001 allows us to continue to benefit from our investment," said B. Lynne Parshall, J.D., chief operating officer and chief financial officer at Isis. "The market opportunity to treat hypertrophic scars is very large, and Pfizer has the drug development expertise and global commercial infrastructure to support the continued advancement of EXC 001."

ABOUT ISIS PHARMACEUTICALS, INC.

Isis is exploiting its leadership position in antisense technology to discover and develop novel drugs for its product pipeline and for its partners. Isis' broad pipeline consists of 25 drugs to treat a wide variety of diseases with an emphasis on cardiovascular, metabolic, severe and rare diseases, and cancer. Isis' partner, Genzyme, plans to commercialize Isis' lead product, KYNAMRO™, in the United States and Europe following regulatory approval. Isis' patents provide strong and extensive protection for its drugs and technology. Additional information about Isis is available at www.isispharm.com.

ISIS PHARMACEUTICALS' FORWARD-LOOKING STATEMENT

This press release includes forward-looking statements regarding Isis' collaboration with Excaliard, Inc. and its financial and business development activities, and the development, activity, therapeutic and commercial potential and safety of EXC 001. Any statement describing Isis' goals, expectations, financial or other projections, intentions or beliefs, including the planned commercialization of KYNAMRO, is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those inherent in the process of discovering, developing and commercializing drugs that are safe and effective for use as human therapeutics, and in the endeavor of building a business around such drugs. Isis' forward-looking statements also involve assumptions that, if they never materialize or prove correct, could cause its results to differ materially from those expressed or implied by such forward-looking statements. Although Isis' forward-looking statements reflect the good faith judgment of its management, these statements are based only on facts and factors currently known by Isis. As a result, you are cautioned not to rely on these forward-looking statements. These and other risks concerning Isis' programs are described in additional detail in Isis' annual report on Form 10-K for the year ended December 31, 2011 and its most recent quarterly report on Form 10-Q, which are on file with the SEC. Copies of these and other documents are available from the Company.

In this press release, unless the context requires otherwise, "Isis," "Company," "we," "our," and "us" refers to Isis Pharmaceuticals and its subsidiaries.

Isis Pharmaceuticals® is a registered trademark of Isis Pharmaceuticals, Inc. KYNAMRO™ is a trademark of Genzyme Corporation.

SOURCE Isis Pharmaceuticals, Inc.

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