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### ARIAD REPORTS THIRD QUARTER 2002 RESULTS

Cambridge, MA, November 14, 2002 – ARIAD Pharmaceuticals, Inc. (Nasdaq: ARIA) today announced results for the third quarter of 2002.

#### *Financial Highlights*

Due primarily to R&D expenses related to advancing and expanding the Company's comprehensive portfolio of product candidates to treat cancer and blood diseases, the Company reported a net loss of \$7.8 million, or \$0.24 per share (diluted), for the quarter ended September 30, 2002. This compares to a net loss of \$4.7 million, or \$0.16 per share (diluted), for the same quarter of 2001. The Company ended the quarter with \$28.3 million in cash and cash equivalents and \$22.2 million of working capital. Subsequently, on November 13, 2002, the Company closed a direct equity placement to selected existing and new institutional investors for gross proceeds of \$6.1 million.

"Having just completed our first NF- $\kappa$ B license agreement with Bristol-Myers Squibb, we are actively pursuing several additional revenue-producing opportunities, including partnering of one of our lead product candidates and further licensing of our NF- $\kappa$ B patents and technology," said Harvey J. Berger, M.D., chairman and chief executive officer of ARIAD. "We continue to prudently manage our expenses, remaining tightly focused on our corporate priority – moving product candidates into and through clinical trials."

R&D expenses increased to \$6.5 million in the third quarter of 2002 from \$3.9 million in the same quarter of 2001. General and administrative expenses increased to \$1.4 million in the third quarter of 2002 from \$1.2 million in the same quarter of 2001. Other income, consisting of interest income, net of interest expense, decreased to \$57,000 in the third quarter of 2002 from \$339,000 in the same quarter of 2001, due to lower levels of invested funds and interest rates during the third quarter of 2002.

#### *Other Corporate Highlights*

- Bristol-Myers Squibb Company became the first pharmaceutical company to license ARIAD's pioneering NF-κB technology and patents in an agreement that gives Bristol the right to conduct research and development covered by those patents in return for an upfront license fee, annual license fees, and product development and commercialization milestones and royalties based on sales of products discovered using the patented NF-κB drug-discovery methods.
- Results of an ongoing four-year study in monkeys provided compelling evidence that ARIAD's novel anemia product candidate may be a highly competitive and preferable alternative to recombinant erythropoietin, the best-selling genetically engineered drug to date. The study was presented at the annual American Society of Nephrology meeting and was featured in a story in the **New York Times** business section on November 1, 2002.
- Two new anti-cancer product candidates with novel mechanisms of action were announced for the first time at the Bear Stearns Healthcare Conference as part of a presentation that featured ARIAD's comprehensive approach to treating cancer and blood diseases. Both of these small-molecule drugs address major clinical challenges facing oncologists - one to treat the spread of invasive cancer to distant sites and the other to treat cancer that has spread to or that originates in bone.
- Initiation of studies of one class of ARIAD's lead anti-cancer drugs for use in a newly emerging medical technology - drug-delivery coronary stents - to reduce reblockage of coronary arteries following coronary angioplasty and stenting was announced at the annual Transcatheter Cardiovascular Therapeutics meeting.
- An agreement was reached with the University of Wisconsin's WiCell Research Institute that permits scientists at non-profit institutions engaged in research on human embryonic stem cells to utilize ARIAD's cell-signaling regulation technology and provides the Company with an option to obtain licenses to available WiCell stem cell technology and patents.

ARIAD is engaged in the discovery and development of breakthrough medicines that regulate cell signaling with small molecules. The Company is developing a comprehensive approach to the treatment of cancer and blood diseases and has seven product candidates in development. ARIAD also has an exclusive license to pioneering technology and patents related to the discovery, development and use of drugs that regulate NF-κB cell-signaling activity, which has been implicated in many major diseases.

Additional information about ARIAD can be found on the web at <http://www.ariad.com>.

Some of the matters discussed herein are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are identified by the use of words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with any discussion of future operating or financial

performance. Such statements are based on management's current expectations and are subject to certain factors, risks and uncertainties that may cause actual results, outcome of events, timing and performance to differ materially from those expressed or implied by such forward-looking statements. These risks include, but are not limited to, risks and uncertainties regarding the Company's ability to conduct preclinical and clinical studies of its product candidates and the results of such studies, regulatory oversight, intellectual property claims, the timing, scope, cost and outcome of legal proceedings, future capital needs, key employees, dependence on the Company's collaborators and manufacturers, markets, economic conditions, products, services, prices, reimbursement rates, competition and other risks detailed in the Company's public filings with the Securities and Exchange Commission, including ARIAD's Annual Report on Form 10-K for the fiscal year ended December 31, 2001. The information contained in this document is believed to be current as of the date of original issue. The Company does not intend to update any of the forward-looking statements after the date of this document to conform these statements to actual results or to changes in the Company's expectations, except as required by law.

**ARIAD PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

<i>In thousands, except share and per share data</i>	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(Unaudited)			
Total research revenue	\$ <u>12</u>	\$ <u>1</u>	\$ <u>25</u>	\$ <u>3</u>
Operating expenses:				
Research and development *	6,515	3,908	17,642	11,404
General and administrative *	<u>1,373</u>	<u>1,176</u>	<u>4,212</u>	<u>3,314</u>
Total operating expenses	<u>7,888</u>	<u>5,084</u>	<u>21,854</u>	<u>14,718</u>
Other income, net	<u>57</u>	<u>339</u>	<u>800</u>	<u>1,097</u>
Net loss	\$ <u><u>(7,819)</u></u>	\$ <u><u>(4,744)</u></u>	\$ <u><u>(21,029)</u></u>	\$ <u><u>(13,618)</u></u>
Net loss per common share (basic and diluted)	\$ <u><u>(.24)</u></u>	\$ <u><u>(.16)</u></u>	\$ <u><u>(.65)</u></u>	\$ <u><u>(.48)</u></u>
Weighted average number of shares of common stock outstanding (basic and diluted)	32,505,924	30,081,817	32,425,400	28,510,551
* Includes non-cash stock-based compensation expense (income)	\$ (13)	\$ 32	\$ (13)	\$ 105

Certain reclassifications have been made to prior year financial statements to conform to the 2002 presentation.

**ARIAD PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION**

In thousands	September 30, 2002	December 31, 2001
	<u>                    </u>	<u>                    </u>
Cash, cash equivalents and marketable securities	\$ 28,333	\$ 47,186
Net fixed assets	1,072	1,851
Other assets	<u>7,630</u>	<u>6,324</u>
Total assets	<u>\$ 37,035</u>	<u>\$ 55,361</u>
Current portion of long-term debt	\$ 1,471	\$ 1,443
Other current liabilities	<u>5,431</u>	<u>3,504</u>
Total current liabilities	<u>6,902</u>	<u>4,947</u>
Long-term debt and other	<u>7,239</u>	<u>7,321</u>
Stockholders' equity	<u>22,894</u>	<u>43,093</u>
Total liabilities and stockholders' equity	<u>\$ 37,035</u>	<u>\$ 55,361</u>

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