ARRAY BIOPHARMA

Inventing, Developing & Commercializing Targeted Small Molecule Drugs in Cancer & Inflammatory Disease

Q2 F2012 Financial Results Conference Call

January 31, 2012

Safe Harbor Statement

Forward-looking statements made in the course of this presentation are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The audience is cautioned that such forward looking statements involve risks and uncertainties, including those described in our annual report filed on form 10-K for the year ended June 30, 2011, and other filings of the Company with the Securities and Exchange Commission, which may cause the Company's actual results and experience to differ materially from anticipated results and expectations expressed in these forward-looking statements.

Array BioPharma Value Proposition

Biotech focused on Cancer & Inflammation

- 9 high value Phase 2 programs
  - 7 partner-funded
- Strong partnerships:
  - Raised $160M from partnerships over past ~2 years
  - $3.4B in potential milestones, up to double digit royalties
- Additional discovery & development partnering opportunities providing non-dilutive capital
- Significant clinical catalysts over next 12 mos.

100%-Owned Development Pipeline

		GLP/IND	Phase 1	Phase 2	Phase 3
Indication	**Target**				
Cancer	p38/Tie2	**ARRY-614 MDS**			
Cancer	KSP	**ARRY-520 Multiple Myeloma**			
Inflammation	p38	**ARRY-797 Pain**			
Inflammation	CRTh2	**ARRY-502 Asthma**			
Diabetes	GPR119	**ARRY-981**			

Ex-US Partnering Opportunities

WW Partnering Opportunities

Partnered Development Pipeline

			IND	Phase 1	Phase 2	Phase 3
Partner	**Indication**	**Target**				
AstraZeneca	Cancer	MEK	**Selumetinib & AZD8330**			
Novartis	Cancer	MEK	**MEK162 & MEK300**			
Amgen	Diabetes	Glucokinase	**AMG 151**			
ASLAN	Gastric Cancer	HER2/EGFR	**ASLAN001 (ARRY-543)**			
InterMune / Roche	Hepatitis C	NS3 Protease	**Danoprevir**			
Genentech	Cancer	AKT	**GDC-0068**			
Eli Lilly	Cancer	Chk-1	**LY2603618**			
Genentech	Cancer	Chk-1	**ARRY-575 & GDC-0425**			
Celgene	Cancer	cFMS	**ARRY-382**			
VentiRx	Cancer	Toll-like Receptor	**VTX2337**			

Up to Double Digit Royalties or Profit Share

$3.4B Potential Milestones

Array Q2F2012 & Other Recent Events

- **ARRY-614 – Dual p38/Tie2 inhibitor for MDS**
  Presented Phase 1 data at ASH meeting
- **ARRY-520 – KSP inhibitor for Multiple Myeloma (MM)**
  Presented Phase 1 & Phase 2 clinical data at ASH meeting
- **ARRY-797 – p38 inhibitor for pain**
  Continued Phase 2 trial in patients with moderate to severe OA pain
- **ARRY-502 – CRTh2 antagonist for asthma**
  Advancing to a Phase 2 trial in persistent asthma
- **Selumetinib (AstraZeneca) – MEK inhibitor for cancer**
  Clinical data presented on Phase 1b docetaxel combinations & in MM
- **MEK162 (ARRY-162) (Novartis) – MEK inhibitor for cancer**
  Novartis announced clinical proof of concept. Two new studies initiated & now 7 active studies ongoing
- **AMG 151 – GKA for Type 2 diabetes**
  Launched randomized, double-blind, placebo-controlled Phase 2 study

Financials

Financial Summary – Fiscal Q2

	Three Months Ended December 31,		Six Months Ended December 31,	
	2011	2010	2011	2010
Revenue				
License and milestone revenue	$ 19,195	$ 11,131	$ 37,657	$ 23,924
Collaboration revenue	4,033	5,370	7,701	11,090
Total revenue	23,228	16,501	45,358	35,014
Operating expenses				
Cost of revenue	6,266	7,382	12,711	14,663
R&D for proprietary programs	13,150	14,482	25,748	28,337
General and administrative	3,782	3,905	7,502	8,173
Total operating expenses	23,198	25,769	45,961	51,173
Gain (Loss) from operations	30	(9,268)	(603)	(16,159)
Other expense (mostly interest)	(3,833)	(3,174)	(6,783)	(6,913)
Net loss	$ (3,803)	$ (12,442)	$ (7,386)	$ (23,072)
Net loss per share - basic and diluted	$ (0.06)	$ (0.23)	$ (0.13)	$ (0.42)
Period end, cash and marketable securities	$ 61,277	$ 98,881		

Guidance update – Fiscal 2012

	Fiscal Year Actual 2010	Fiscal Year Actual 2011	Pior Guidance 2012	Current Guidance 2012
Revenue				
License and milestone revenue	$ 32,485	$ 53,426	$ 76,000	$ 74,000
Collaboration revenue	21,395	18,475	12,000	13,000
Total revenue	53,880	71,901	88,000	87,000
Operating expenses				
Cost of revenue	28,322	28,916	24,000	24,000
R&D for proprietary programs	72,488	63,498	64,000	60,000
General and administrative	17,121	16,261	16,200	16,000
Total operating expenses	117,931	108,675	104,200	100,000
Loss from operations	(64,051)	(36,774)	(16,200)	(13,000)
Loss on early repayment of debt	-	(6,340)	(800)	(942)
Other expense - mostly interest	(13,580)	(13,210)	(11,000)	(11,000)
Net loss	$ (77,631)	$ (56,324)	$ (28,000)	$(24,942)
Net loss per share	$ (1.55)	$ (1.02)	$ (0.48)	$ (0.43)

Expect for FQ3: Revenue $18M and Loss Per Share 0.18

Clinical Development

ARRY-614

Dual p38 / Tie2 Inhibitor for MDS

Myelodysplastic Syndromes (MDS)

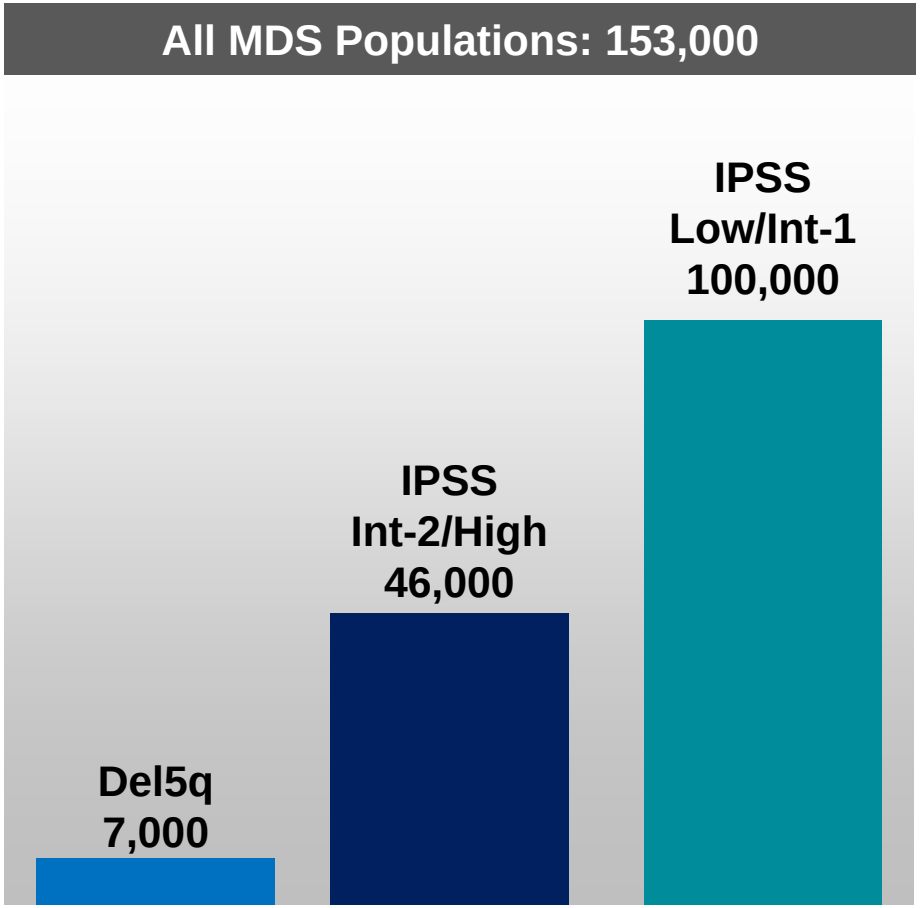
- Cancers of the bone marrow; death of normal progenitor cells
- Severe loss of normal blood cells (platelets, neutrophils, erythrocytes)
  - Response measured by Hematologic Improvement (HI) – IWG 2006 Criteria
  - Later-stage patients suffer from multiple cytopenias (multi-lineage)
- Characterized by fatigue, bleeding, cardiovascular issues & infections
- Quality of life burdens – frequent transfusions
- Risk of progressing to acute myeloid leukemia (AML)
- Limited treatment options

ARRY-614
Opportunity in MDS

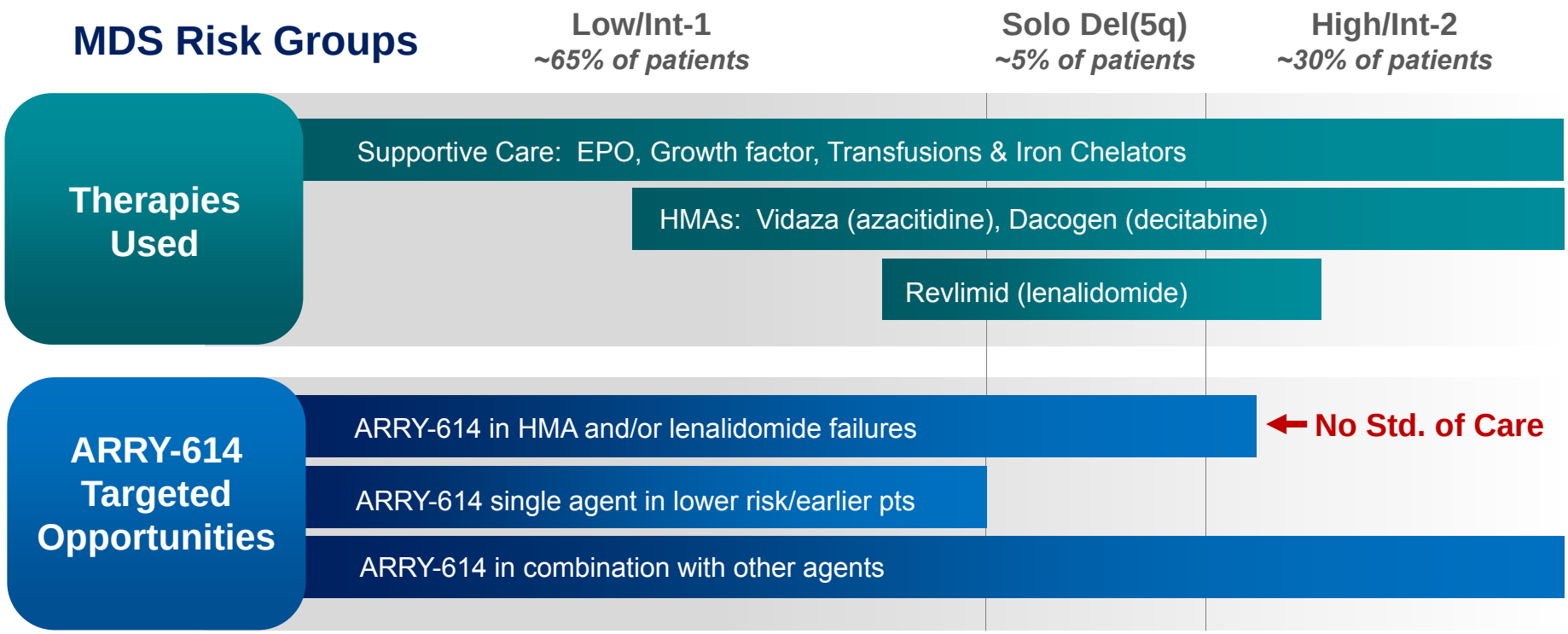
MDS:

- A disease of the elderly—median age at diagnosis: 70
- High economic burden up to $100K per year due to frequent transfusions & supportive care
- Under-diagnosed & reported
- Growing treated population due to increased awareness, diagnosis & therapies
- A billion dollar opportunity

MDS G7 Market Prevalence 2011



ARRY-614 Targets Key Unmet Needs in MDS

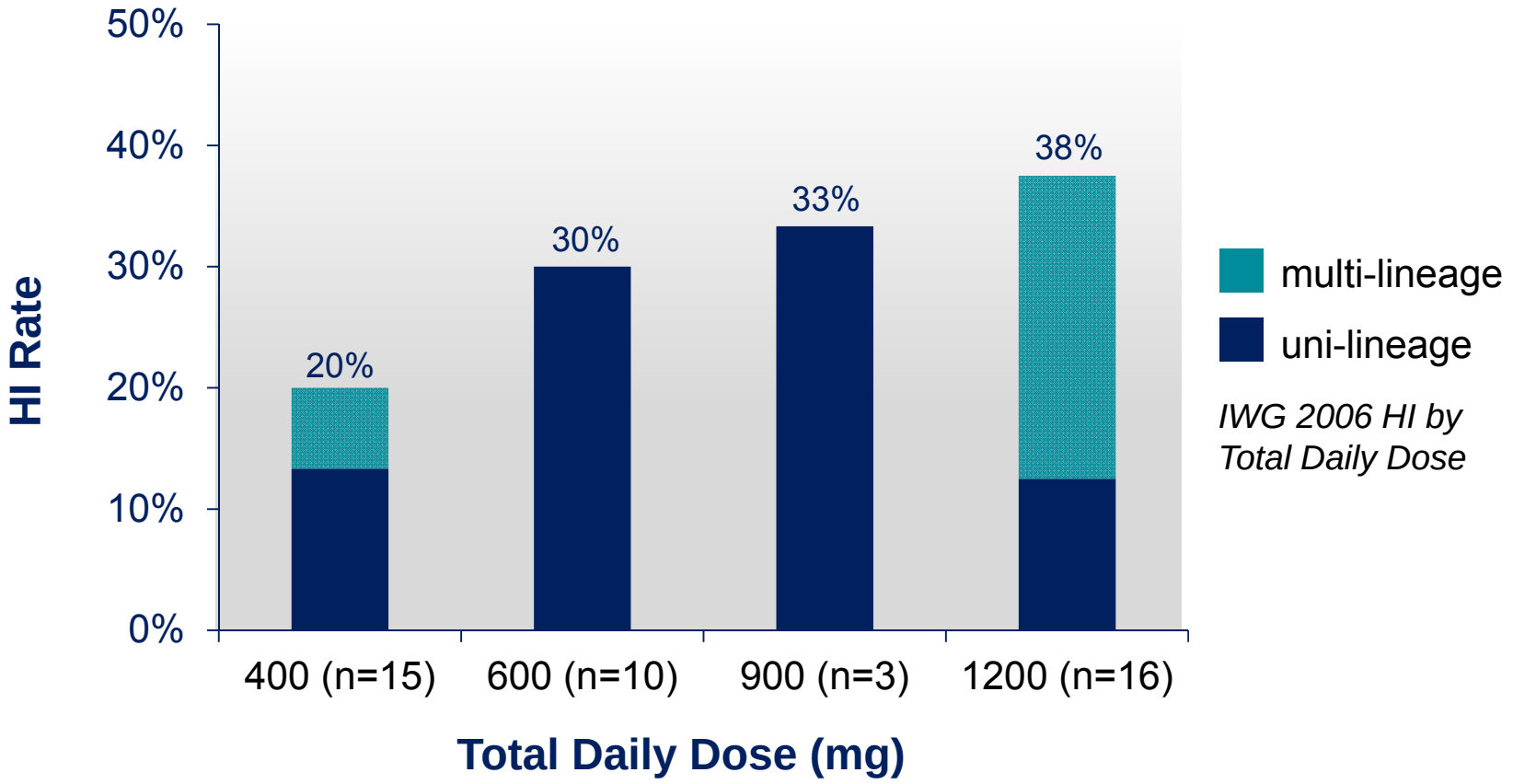


No standard of care & poor prognosis for HMA failures

ARRY-614 Phase 1
Hematologic Improvement by Dose

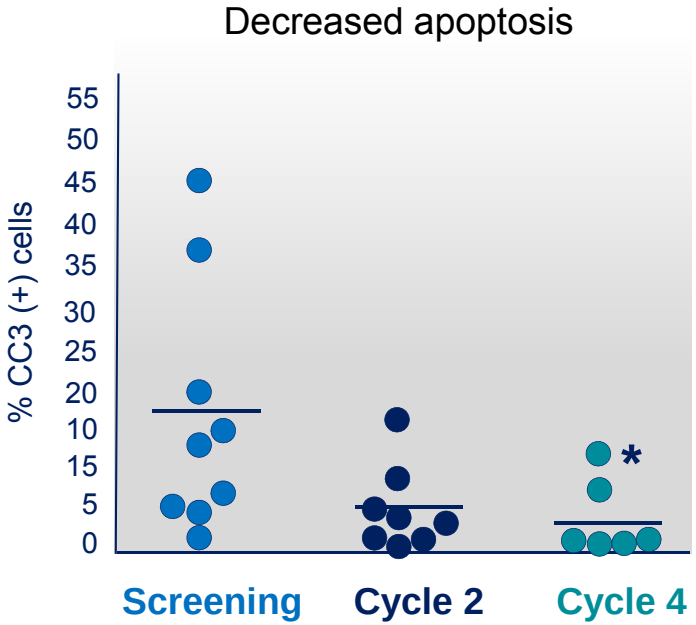
38% HI at highest dose (1200 mg daily)

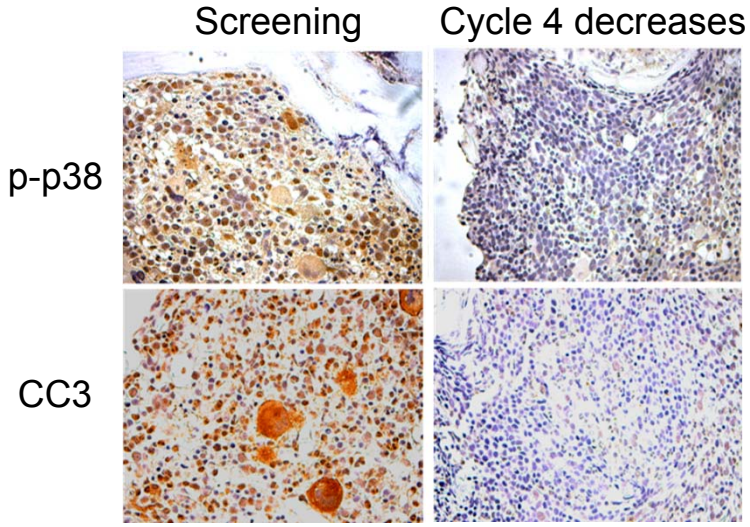
- 67% multi-lineage responses



ARRY-614 Phase 1
Reduces Apoptosis in Bone Marrow

- Aberrant progenitor apoptosis is the hallmark of MDS
- ARRY-614 decreases elevated apoptosis by >75%
- On-target decreases of bone marrow phospho-p38





Presence of cleaved caspase 3 (CC3) is indicative of apoptosis

*Cycle 4 statistically different from screening (ANOVA, Dunn's multiple comparison test post hoc); n=6-9

ARRY-614 in MDS

- **Dual p38/Tie2 inhibitor - unique mechanism**
- **Achieved clinical proof of concept, ASH 2011**
  - Multi-lineage HI in patients for whom HMAs had failed
    - 30% HI overall
    - 38% HI at 1200 mg QD; 67% multi-lineage
  - PD effects consistent with bone marrow normalization
  - Well tolerated up to 1200 mg QD
- **Meeting with FDA to discuss registration endpoints 1H2012**

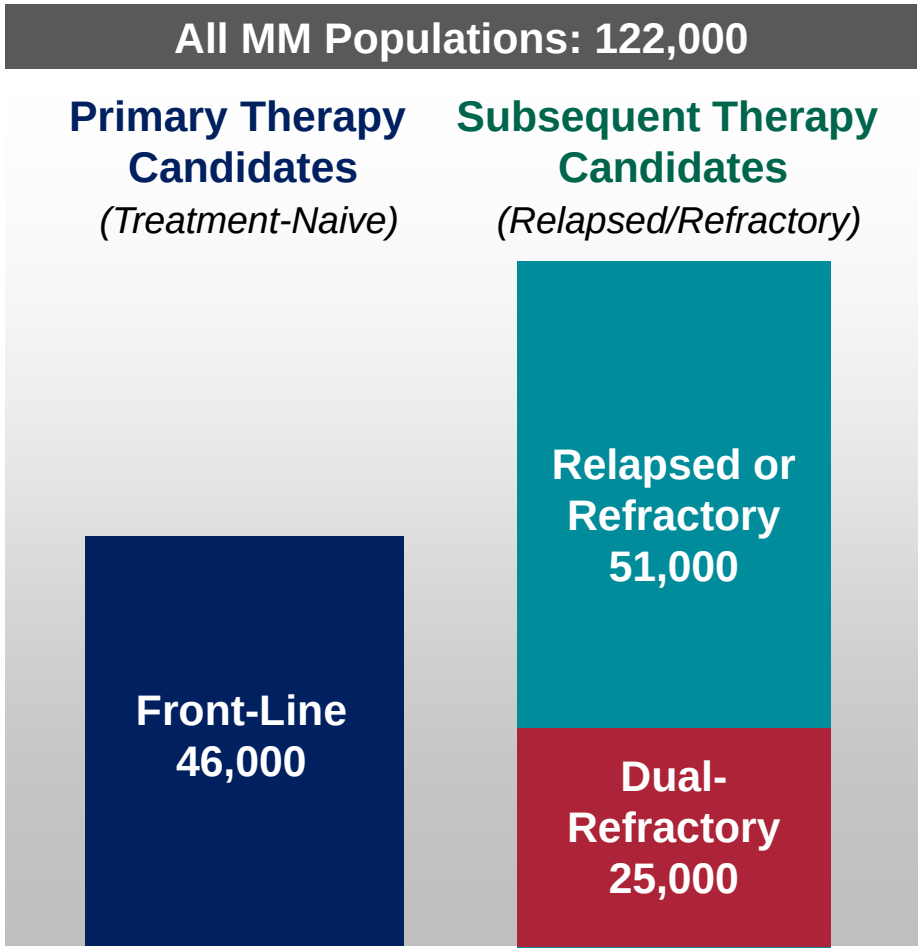
ARRY-520 / KSP Inhibitor for Multiple Myeloma

ARRY-520
Opportunity in Multiple Myeloma

Multiple myeloma (MM):

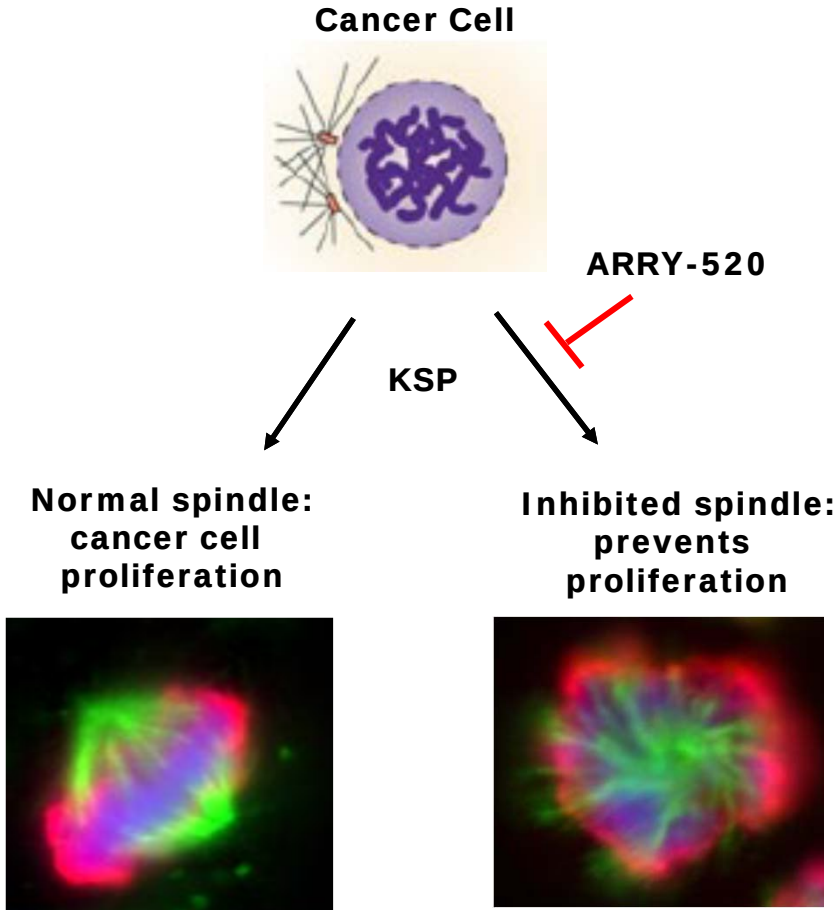
- The second most common hematologic cancer
- Malignant plasma cells are overproduced in the bone marrow, compromising the immune system
- A disease that remains incurable and fatal in all patients
- An unmet medical need in relapsed / refractory patients

MM G7 Market Prevalence 2011

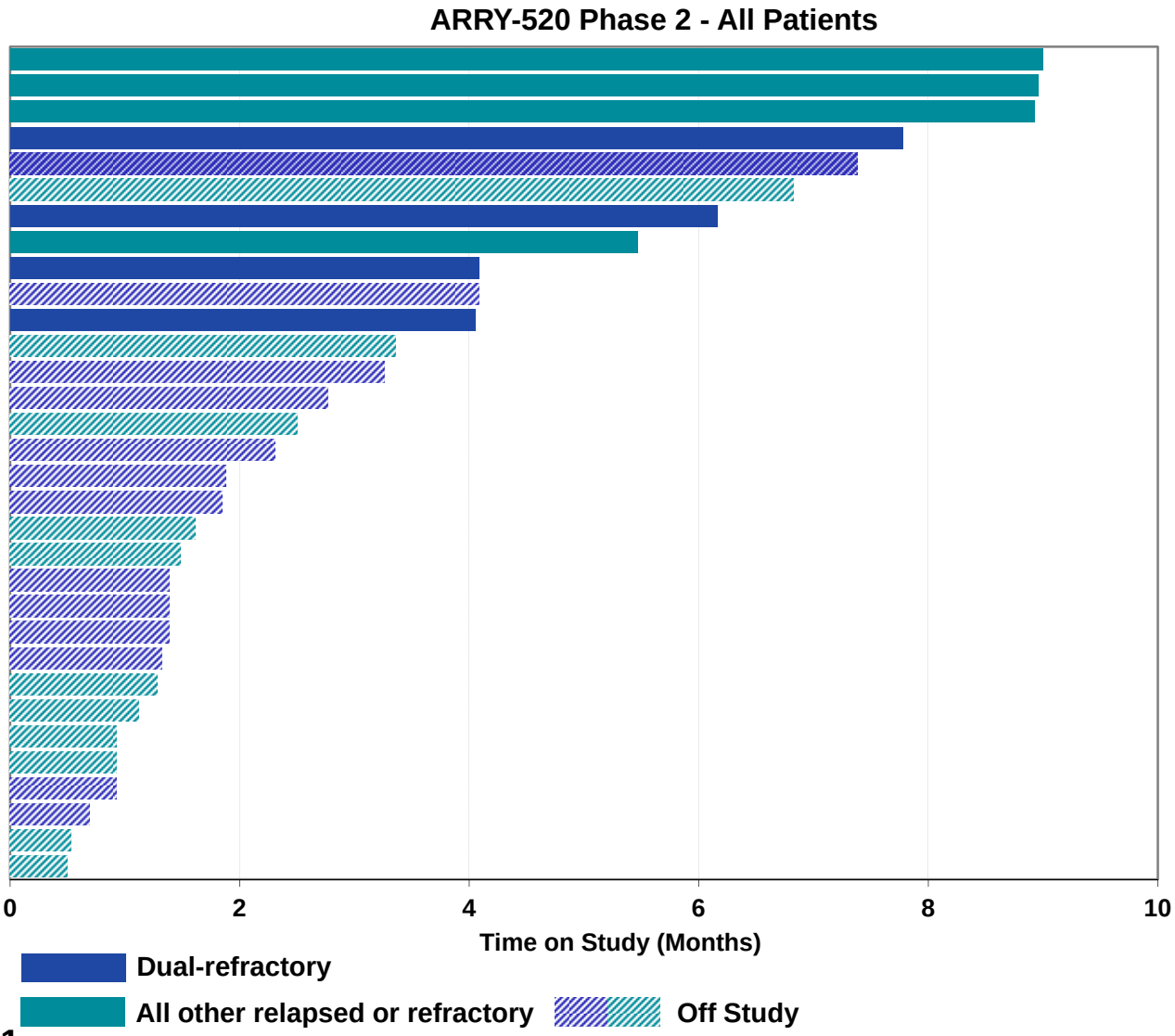


ARRY-520 – A New Drug Mechanism in MM

- **Highly selective, allosteric KSP inhibitor**
  - Not expected to be cross-resistant with other drugs
  - KSP is not found in peripheral neurons: not associated with neuropathy
- **Activity linked to degradation of Mcl-1**
  - Malignant plasma cells depend on Mcl-1 for survival
- **Synergistic preclinical activity with lenalidomide & bortezomib**



ARRY-520 Phase 2
Durable Activity in Relapsed & Refractory MM



32 evaluable patients:

19% response rate (≥MR)
- 4 PR
- 2 MR
- 1 unconfirmed PR

Median DOR = 8.1 months
(Combined Ph1 & Ph2 data)

Responses occur/persist even after dose reduction

ARRY-520 Phase 2
Promising Single-Agent MM Data

Addition of dexamethasone (dex) to pomalidomide improved ORR & PFS

Setting		POM	POM + dex	ARRY-520 (Ph2)	ARRY-520 + dex
Relapsed & refractory Prior BTZ & IMiD	≥PR	13%	34%	**13%**	-
	≥MR	29%	45%	**19%**	-
	DOR	8.3 mos	8.3 mos	**8.1 mos[1]**	-
BTZ & IMiD Refractory	≥PR	16%	30%	**12%**	**TBD**
	≥MR	30%	45%	**18%**	**TBD**

Initial data from ARRY-520 + dex expected mid-2012

1 – Combined Phase 1 (N=32) & Phase 2 (N=32) data

ARRY-520 in Multiple Myeloma

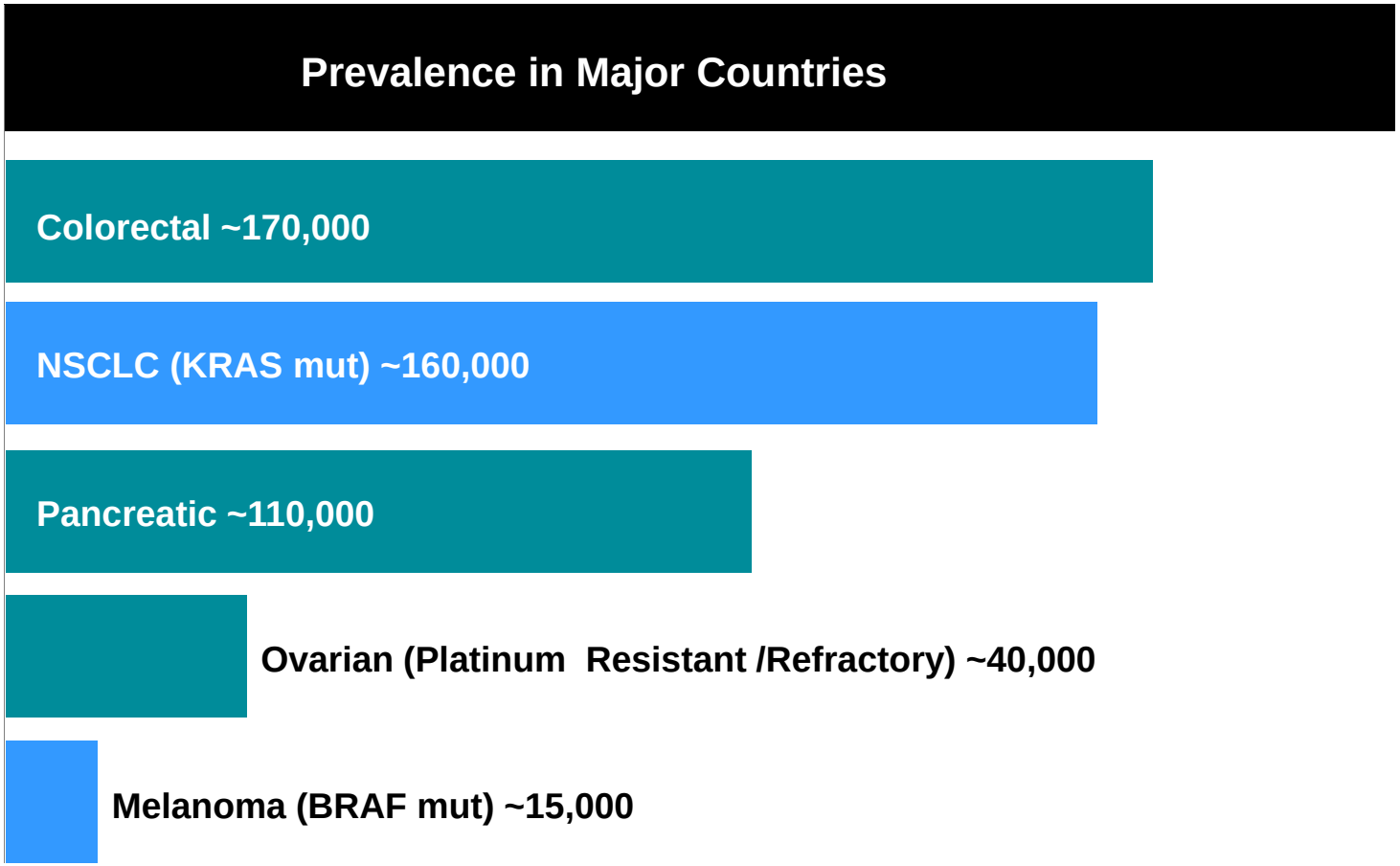
- Unique mechanism of action
- Only new drug mechanism with compelling single-agent activity
- Durable responses as a single agent
  - Activity in dual-refractory (IMiDs and PIs) MM
  - Minimal non-hematological side effects
- Potential paths to approval:
  - ARRY-520 with dex in dual-refractory MM
  - ARRY-520 with proteasome inhibitors in relapsed & refractory MM

Opportunities in MEK for Oncology

Array's MEK Franchise

- High value collaborations with 2 leading oncology companies
  - AstraZeneca – Multiple Phase 2 trials with MEK + chemotherapy
  - Novartis – Multiple targeted combination trials
- Billion $ market opportunities addressing multiple unmet medical needs
- Positive clinical results demonstrated in multiple indications with MEK
  - KRAS mut NSCLC
  - BRAF mut melanoma
  - Ocular melanoma
  - Ovarian
- Several Phase 2 trials with Array's MEK inhibitors to read out in 2012

Selumetnib & MEK162
Opportunity in Cancer / RAS Pathway Alterations



Source: Decision Resources, Wellcome Trust Sanger Institute

Selumetinib (AZD6244) / MEK Inhibitor

- AstraZeneca responsible for development & commercialization
- Royalty potential – double-digits
- New formulation doubles exposure at MTD (**new** trials as of 2008)
- Over 700 patients in safety database
- **45+ on-going or completed Phase 1 or 2 clinical trials including:**
  - KRAS NSCLC – Phase 2, top-line reported; final results upcoming
  - BRAF melanoma – Phase 2, awaiting results
  - Ocular melanoma – Phase 2, awaiting results
  - KRAS colorectal cancer – Phase 2, awaiting results

Selumetinib + docetaxel in KRAS-mutant NSCLC
Most promising Phase 2 results to date in 2nd line

Setting		Docetaxel		Sorafenib	ARQ197+ Erlotinib	Erlotinib	Selumetinib + Docetaxel	Docetaxel
NSCLC ≥2nd-line	Marker	WT	KRAS	KRAS	KRAS		KRAS	
	N	122	27	57	10	5	43	44
	mPFS	3.3 mos	1.5 mos	2.3 mos	2.2 mos	1.0 mos	1H 2012	
	mOS	6.3 mos	4.2 mos	5.3 mos	-	-	1H 2012	

Statistical significance demonstrated:
- progression free survival
- objective response rate
- alive & progression free at 6 mos.

Numerical improvement in overall survival

Complete data 1H 2012

ClinicalTrials.gov Identifier: NCT00936221 *ESMO* 2011
J Clin Oncol 29:3307-3315.2011, *ESMO* 2010
J Clin Oncol 28:744-752.2009

Selumetinib + DTIC in BRAF-mutant Melanoma
Top-line Phase 2 Data Anticipated 1H 2012

Setting		DTIC	Vemurafenib	DTIC + Selumetinib	Selumetinib + DTIC	DTIC
BRAF-Mutant Melanoma	Study	Ph3 (BRIM3)		Ph 1b	Ph2	
	N	338	337	9	~40	~40
	ORR	5%	48%	**56%**	TBD	TBD
	mPFS	1.6 mos	5.3 mos	**7.1 mos**	TBD	TBD
	mOS	7.9 mos	Not yet reached	-	TBD	TBD

Phase 2 enrollment completed March 2010
- Primary endpoint - OS

Complete data in 2012

Clin Cancer Res. 2011 Nov 2. [Epub ahead of print]. J Clin Oncol, 2010 ASCO Annual Meeting Proceedings Vol 28, No 15_suppl (May 20 Supplement), 2010: 8501. J Clin Oncol, 2010 ASCO Annual Meeting Proceedings Vol 28, No 15_suppl (May 20 Supplement), 2010: 2503. N Engl J Med 364;26 June 30, 2011

MEK162 / MEK Inhibitor

- **Novartis and Array responsible for development**
- **Initial Payment: $45M**
- **Milestones Received: $10M; Potential Milestones: $412M**
- **Royalty: Double digits outside U.S. & significantly higher in U.S.**
- **Co-detail rights in U.S.**
- **Clinical Results to date**
  - Drug well-tolerated with growing clinical safety database
  - Good exposure with low inter-patient variability

MEK162 Co-Development

- **Phase 2 NRAS/BRAF+ melanoma**
- **Phase 1b Combinations with Targeted Agents**
  - MEK162 + BEZ235 (***PI3K/mTOR dual inhibitor***) KRAS+ & EGFR resistant NSCLC
  - MEK162 + BKM120 (***pan-PI3K inhibitor***) solid tumors
  - MEK162 + RAF265 (***RAF inhibitor***) RAS+ or BRAF+ solid tumors
  - MEK162 + BYL719 (***PI3Kα selective inhibitor***) RAS+ or BRAF+ solid tumors
- **Phase 1 BRAF+ CRC**
- **Phase 1 MEK162 in Japanese Patients with Advanced Solid Tumors**

Novartis announced MEK162 achieved POC

Milestones

2012 Milestones

Selumetinib (AstraZeneca) **MEK / Cancer**	• Report complete results for double-blind, randomized Phase 2 trials: 1. Selumetinib + docetaxel vs. docetaxel (top-line results reported 9/2011) 2. Selumetinib + DTIC vs. DTIC
MEK162 (Novartis) **MEK / Cancer**	• Report Phase 2 trial in BRAF / NRAS mutant melanoma
ARRY-614 **p38 / Tie2 / MDS**	• Report Interim Phase 1 dose escalation trial in MDS with new formulation • Meet with FDA to discuss primary endpoints for registration trial
ARRY-520 **KSP / MM**	• Report Phase 2 ARRY-520 + dexamethasone combination trial in MM • Report Interim Phase 1 ARRY-520 + Velcade combination trial in MM
ARRY-797 **p38 / pain**	• Report top-line Phase 2 pain trial in osteoarthritis patients
ARRY-502 **CRTh2 / Asthma**	• Report top-line results for Phase 2 trial in asthma patients (Q1C13)
AMG-151 (Amgen) **Glucokinase / Type 2 Diab.**	• Complete enrollment for Phase 2 trial in Type 2 diabetes patients
Milestone Payments	• $20-30 million

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