ARIAD

News Release

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ARIAD ANNOUNCES AGREEMENT ON HUMAN EMBRYONIC STEM CELLS WITH UNIVERSITY OF WISCONSIN'S WICELL RESEARCH INSTITUTE

New Initiative Supports Broad Applications in Academic Stem Cell Research

Cambridge, MA, September 17, 2002 -- ARIAD Pharmaceuticals, Inc. (Nasdaq: ARIA) today announced an agreement with the WiCell Research Institute, Inc. (WiCell), an affiliate of the University of Wisconsin, that permits scientists at academic and other non-profit institutions engaged in research on human embryonic stem cells to utilize ARIAD's cell-signaling regulation technology to control the function and fate of WiCell's human embryonic stem cells.

The agreement also provides ARIAD with an option to obtain licenses to available WiCell technology and patents on market terms to develop and commercialize discoveries made in such research.

Among the leading researchers in this evolving field is C. Anthony Blau, M.D., associate professor of medicine at the University of Washington. Using ARIAD's cell-signaling regulation technology, his team has demonstrated *in vivo* control of the growth and differentiation of progenitor cells isolated from both bone marrow and cord blood, as well as the regulation of other potentially useful cell types.

Dr. Blau commented, "Based on our studies providing *in vivo* validation of the utility of ARIAD's technology in regulating blood progenitor cells, we welcome the opportunity to expand and explore its application to human embryonic stem cells, especially in the treatment of genetic blood diseases."

"The use of regulated human embryonic stem cells holds great promise for the development of new products to cure diseases for which there currently are no therapeutic options," said Harvey J. Berger, M.D., chairman and chief executive officer of ARIAD.

Dr. Berger added, "We are very pleased to be able to facilitate academic research in the study of human embryonic stem cells by enabling their function and fate to be controlled using our small-molecule drugs. Such research will be conducted within

strict ethical guidelines that preclude reproductive cloning or intermingling of stem cells with intact embryos."

The ARGENT™ cell-signaling regulation technology addresses two of the key limitations to the development of stem-cell based therapies: (1) the inability to transfer therapeutic or corrective genes into stem cells efficiently, and (2) the difficulty in reliably obtaining large numbers of specialized cells of the correct type and purity to administer to patients. ARIAD's proprietary technology is being used by over 550 academic investigators worldwide and is the subject of over 140 scientific papers describing its diverse applications in medicine and biology, including in regulated cellular therapy.

Human embryonic stem cell lines are capable of indefinite replication and differentiation and were initially developed by a team of pioneering scientists led by Professor James Thomson at the University of Wisconsin in 1998. Recent research has emphasized the broad potential of human embryonic stem cells to treat disease by providing a source of cells that can be used to replace defective cells, tissues and potentially whole organs.

WiCell is a non-profit subsidiary of the Wisconsin Alumni Research Foundation (WARF), an independent foundation chartered to support research at the University of Wisconsin – Madison and the designated technology transfer organization for the university. WARF holds the patents on the discovery that human embryonic stem cells can be isolated and grown in culture. WiCell's primary purpose is to distribute human embryonic stem cell lines to qualified researchers. Additional information about WiCell, stem cell research and the agreement needed to obtain human embryonic stem cells can be found on the web at http://www.wicell.org.

Additional information about ARIAD can be found on the web at http://www.ariad.com. Investigators wanting to conduct research involving ARIAD's cell-signaling regulation technology in combination with human embryonic stem cells obtained from WiCell should go to http://www.ariad.com/regulationkits, indicating their plans for such combined studies.

The ARIAD and WiCell websites are not made a part of this press release.

ARIAD is engaged in the discovery and development of breakthrough medicines that regulate cell signaling with small molecules. The Company's development pipeline includes: a drug candidate that controls cell proliferation and nutrient uptake by tumors to treat cancer; a bone-targeted drug candidate to treat the complications of cancer that has spread to bone; a regulated protein therapy product candidate to treat anemia in which the production of erythropoietin is controlled *in vivo* using an orally administered drug; a T cell immunotherapy product candidate in which a non-immunosuppressive drug may be used to treat graft-vs-host disease following donor bone marrow transplantation – a therapy for cancer and other immune and blood diseases; and dual-action drug candidates that block bone

resorption and stimulate bone formation to treat osteoporosis. ARIAD also has an exclusive license to pioneering technology related to the discovery, development, and use of drugs that modulate the NF-κB pathway, which has been implicated in many major diseases.

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.

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