ARRAY BIOPHARMA

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

Q4 F2012 Financial Results Conference Call

August 14, 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

- 5 Phase 3 potential decisions by end of CY2013
  - Significant upcoming catalysts to drive prioritization & focus
- 10 high value Phase 2 programs
  - 7 partner-funded
- Strong partnerships:
  - Raised over $170M from partnerships over past 2.5 yrs.
  - $3.4B in potential milestones, up to double digit royalties
- Solid cash position: $90M (6/30/12)
- Additional partnering opportunities providing non-dilutive capital

Recent Significant Events

- **New Executive Team Member**
  - Andrew Robbins, Sr. VP, Commercial Operations
- **ARRY-797 / p38 inhibitor for Pain**
  - Achieved primary endpoint in Phase 2a osteoarthritis trial
- **Partnered Programs**
  - MEK162 / MEK inhibitor for Cancer (Novartis)
    - Positive Phase 2 BRAF/NRAS melanoma data (ASCO)
    - Array initiated Phase 1b clinical trial in combination with paclitaxel
  - Selumetinib / MEK inhibitor for Cancer (AstraZeneca)
    - Positive Phase 2 KRAS NSCLC (ASCO)
    - AZ initiated trial comparing current Phase 2 & planned Phase 3 capsule formulations
  - AMG 151 / Glucokinase activator for Type 2 Diabetes (Amgen) – Array earned Phase 2a $8.5M milestone
  - GDC-0575 / Chk-1 inhibitor for Cancer (Genentech) – Initiated Phase 1 with Gemzar® (gemcitabine)

100%-Owned Development Pipeline

		GLP/IND	Phase 1	Phase 2	Phase 3
Indication	**Target**				
Cancer	KSP	ARRY-520 Multiple Myeloma			Potential Phase 3 Decisions in CY2013
Cancer	p38/Tie2	ARRY-614 MDS			
Inflammation	p38	ARRY-797 Pain			
Inflammation	CRTh2	ARRY-502 Asthma			
Diabetes	GPR119	ARRY-981			

WW Partnering Opportunities

Partnered Development Pipeline

			IND	Phase 1	Phase 2	Phase 3
Partner	**Indication**	**Target**				
AstraZeneca	Cancer	MEK	**Selumetinib – 38 ongoing trials**			
Novartis	Cancer	MEK	**MEK162 – 10 ongoing trials**			
InterMune / Roche	Hepatitis C	NS3 Protease	**Danoprevir**			
Amgen	Diabetes	Glucokinase	**AMG 151**			
ASLAN	Gastric Cancer	HER2/EGFR	**ASLAN001**			
Genentech	Cancer	AKT	**GDC-0068**			
Eli Lilly	Cancer	Chk-1	**LY2603618**			
Genentech	Cancer	Chk-1	**GDC-0575 & GDC-0425**			
Celgene	Cancer	cFMS	**ARRY-382**			
VentiRx	Cancer	Toll-like Receptor	**VTX2337**			

Potential Ph. 3 decisions by end of C2013

Up to Double Digit Royalties or Profit Share

$3.4B Potential Milestones

Financials

Financial Summary – Fiscal Q4

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2012	2011	2012	2011
Revenue				
License and milestone revenue	$ 17,622	$ 15,595	$ 71,249	$ 53,426
Collaboration revenue	3,042	3,451	13,886	18,475
Total revenue	20,664	19,046	85,135	71,901
Operating expenses				
Cost of revenue	6,259	7,635	24,261	28,916
R&D for proprietary programs	14,877	19,279	56,719	63,498
General and administrative	4,473	4,292	15,202	16,261
Total operating expenses	25,609	31,206	96,182	108,675
Gain (Loss) from operations	(4,945)	(12,160)	(11,047)	(36,774)
Other expense (mostly interest)	(3,080)	(9,592)	(12,534)	(19,550)
Net loss	$ (8,025)	$ (21,752)	$ (23,581)	$ (56,324)
Net loss per share - basic and diluted	$ (0.09)	$ (0.38)	$ (0.33)	$ (1.02)
Period end, cash and marketable securities	$ 89,650	$ 64,708		

Guidance – Fiscal 2013

	Fiscal Year Actual 2011	Fiscal Year Actual 2012	Guidance 2013
Revenue			
License and milestone revenue	$ 53,426	$ 71,249	$ 45,000
Collaboration revenue	18,475	13,886	17,000
Total revenue	71,901	85,135	62,000
Operating expenses			
Cost of revenue	28,916	24,261	27,000
R&D for proprietary programs	63,498	56,719	63,000
General and administrative	16,261	15,202	17,000
Total operating expenses	108,675	96,182	107,000
Loss from operations	(36,774)	(11,047)	(45,000)
Loss on early repayment of debt	(6,340)	(942)	-
Other expense - mostly interest	(13,210)	(11,592)	(10,800)
Net loss	$ (56,324)	$ (23,581)	$ (55,800)
Net loss per share	$ (1.02)	$ (0.33)	$ (0.60)

Expect for FQ1: Revenue $17M and Loss Per Share $0.15

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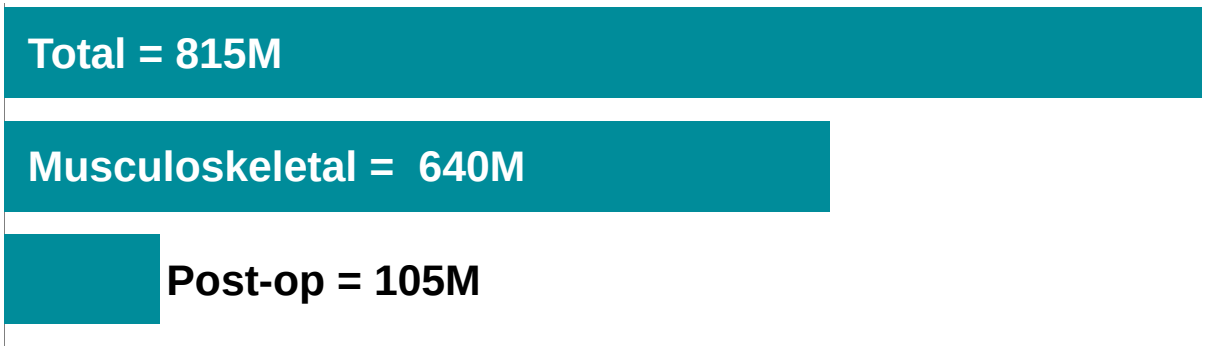
ARRY-797

p38 Inhibitor for Pain

ARRY-797
Opportunity in Pain

Acute/Sub-Acute Pain Prevalence* in Major Countries

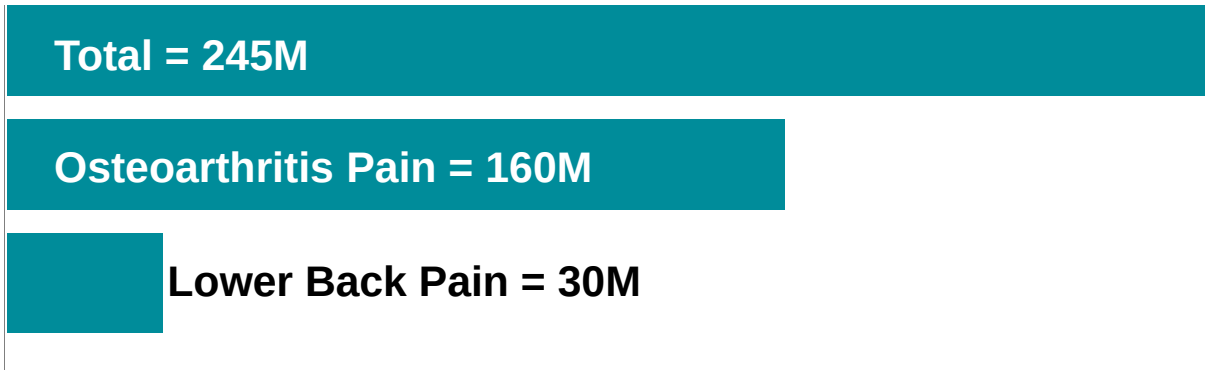
2011 Market



$17.9B

Chronic Pain Prevalence in Major Countries

2011 Market



$22.2B

*Acute/Sub-Acute Prevalence = Number of Cases; total figure includes overlapping cases within same patient

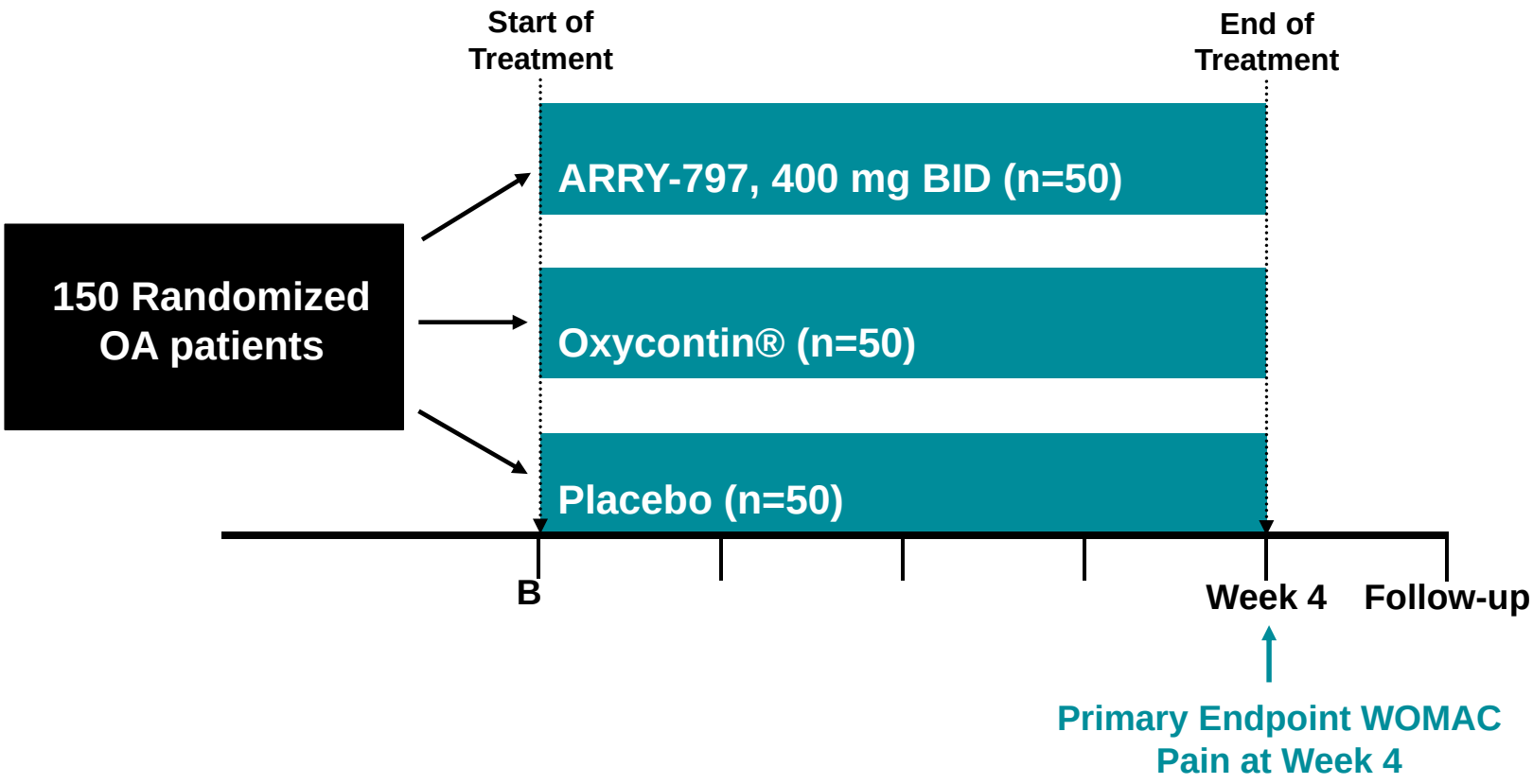
ARRY-797 – Oral p38 inhibitor for Pain

- ARRY-797: Pain relief without opioid side effects & dependence
  - Uniquely potent & selective p38 inhibitor
- p38 regulates
  - PGE2 production, a significant pain mediator
  - TNF, IL-1 production, inflammation mediators
- Achieved statistically significant analgesic effect
  - Two randomized Phase 2 acute dental pain studies (>200 patients)
  - Randomized Phase 2 OA study (157 patients)
- Provided analgesic benefit in two small Phase 1b RA & AS studies
- Well-tolerated; 450 subjects/patients treated

Safety Risks of Current Pain Treatments

- Opioids
  - Significant dependence issues
  - 2nd leading cause of accidental death in US – 12,000+ annually
  - Prescriptions for opioids & deaths from over-dose are increasing annually
- NSAIDS
  - Serious GI events (bleeding) – 1-2% in regular users
  - Cardiac morbidity (CHF & MI) – approximately doubling risk
  - 100,000 hospitalization per year in US
  - 17,000 deaths annually with arthritis patients
- Acetaminophen
  - Leading cause of liver failure in US over 5 year period (1998-2003), 4,800 deaths
- Knee & hip replacement surgery has significant associated co-morbidities
  - Greater than 5,000 deaths within 90 days of surgery per year in the U.S.
- Many patients have significant pain despite best standard of care

Phase 2: 28-Day Pain Study in OA Patients While on a Background of NSAIDs



KEY INCLUSION CRITERION:

- Baseline moderate to severe unilateral knee pain while on stable NSAID background

Phase 2 Results: ARRY-797 Meets Primary Endpoint
Partnering for Future Development & Commercialization

Exciting Clinical Benefit

- Achieved primary outcome (change from Baseline to Wk 4 in WOMAC® pain subscale score)
  - ARRY-797 demonstrated improvement of 0.80 vs. placebo (P = 0.0247, one-tailed)
  - Oxycodone ER achieved improvement of only 0.28 vs. placebo
  - ARRY-797 & oxycodone ER comparable in pain reduction for completers
- ARRY-797 showed improvement versus placebo or oxycodone ER at Week 4:
  - WOMAC physical function; WOMAC stiffness; Treatment Satisfaction Measure

Well-tolerated

- Discontinuations due to AEs:
  - 6% for ARRY-797
  - 8% for placebo
  - 34% for oxycodone ER
- Common AEs include dizziness, diarrhea and nausea (all mild)
- Mild prolongations of QTc interval
- Sustained decreases in systolic & diastolic blood pressure
- Sporadic, transient increases in creatine kinase & aspartate aminotransferase

Array Corporate Catalysts Through Dec. 2013

ARRY-614 **p38 / Tie2 / MDS**	• Report interim Ph. 1 dose escalation trial in MDS with improved formulation • Meet with FDA to discuss development plan to support registration • Initiate 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 • Initiate registration trial
MEK162 (Novartis) **MEK / Cancer**	• Evaluate registration trial opportunities
Phase 3 Decisions	• Selumetinib (AstraZeneca), MEK162 (Novartis), Danoprevir (InterMune/Roche)
Selumetinib (AstraZeneca) **MEK / Cancer**	• Report complete results for double-blind, randomized Phase 2 trial with Selumetinib + DTIC vs. DTIC BRAF mutant melanoma
ARRY-797 / Pain	• Seek partner for further development and commercialization
ARRY-502 **CRTh2 / Asthma**	• Report top-line results for Phase 2 trial in asthma patients • Seek partner for further development and commercialization
AMG 151 (Amgen) **GKA / Diabetes**	• Complete enrollment for Phase 2 trial in Type 2 diabetes patients
Discovery Collaborations	• Initiate new discovery collaborations

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