Pharmacyclics®

Corporate Presentation

December 2014

Safe Harbor Statement

During the course of this presentation we will make statements that constitute forward-looking statements. These statements may include operating expense projections, the initiation, timing and results of pending or future clinical trials, the actions or potential action of the FDA, the status and timing of ongoing research, corporate partnering activities and other factors affecting Pharmacyclics' financial condition or operations. Such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements to vary materially from those expressed or implied in such statements. These and other risk factors are listed from time to time in reports filed with the Securities and Exchange Commission (SEC), including but not limited to, reports on Forms 10-Q and 10-K. Pharmacyclics does not intend to update any forward-looking information to reflect actual results or changes in the factors affecting the forward-looking information.

Who we are

Pharmacyclics is a biopharmaceutical company focused on the discovery, development and commercialization of innovative small-molecule drugs for the treatment of cancer and immune-mediated diseases. Its first FDA approved drug, IMBRUVICA®, is a new, first-in-class oral therapy that inhibits Bruton tyrosine kinase (BTK), which plays an important role in the survival and spread of malignant B-cells.



Our Mission

To build a viable biopharmaceutical company that designs, develops and commercializes novel therapies intended to improve quality of life, increase duration of life and resolve serious medical healthcare needs.

To identify and control promising product candidates based on exceptional scientific development and administrational expertise, develop our products in a rapid, cost-efficient manner and to pursue commercialization and/or development partners when and where appropriate.

We exist to make a difference for the better and these are important times to do just that.

Pharmacyclics At a Glance

GENERAL	Current
Ticker	PCYC
Founded	1991
Headquarters	Sunnyvale, CA
Employees as of 09/30/2014	586

SELECT FINANCIAL INFORMATION	
Product Revenue Q3/2014	$141.6 M
Non-GAAP net income 9/30/2014	$53.46 M*
Cash & Cash Equivalents as of 09/30/2014	$736.5 M**
Basic Shares Outstanding as of 09/30/2014	75.4 M

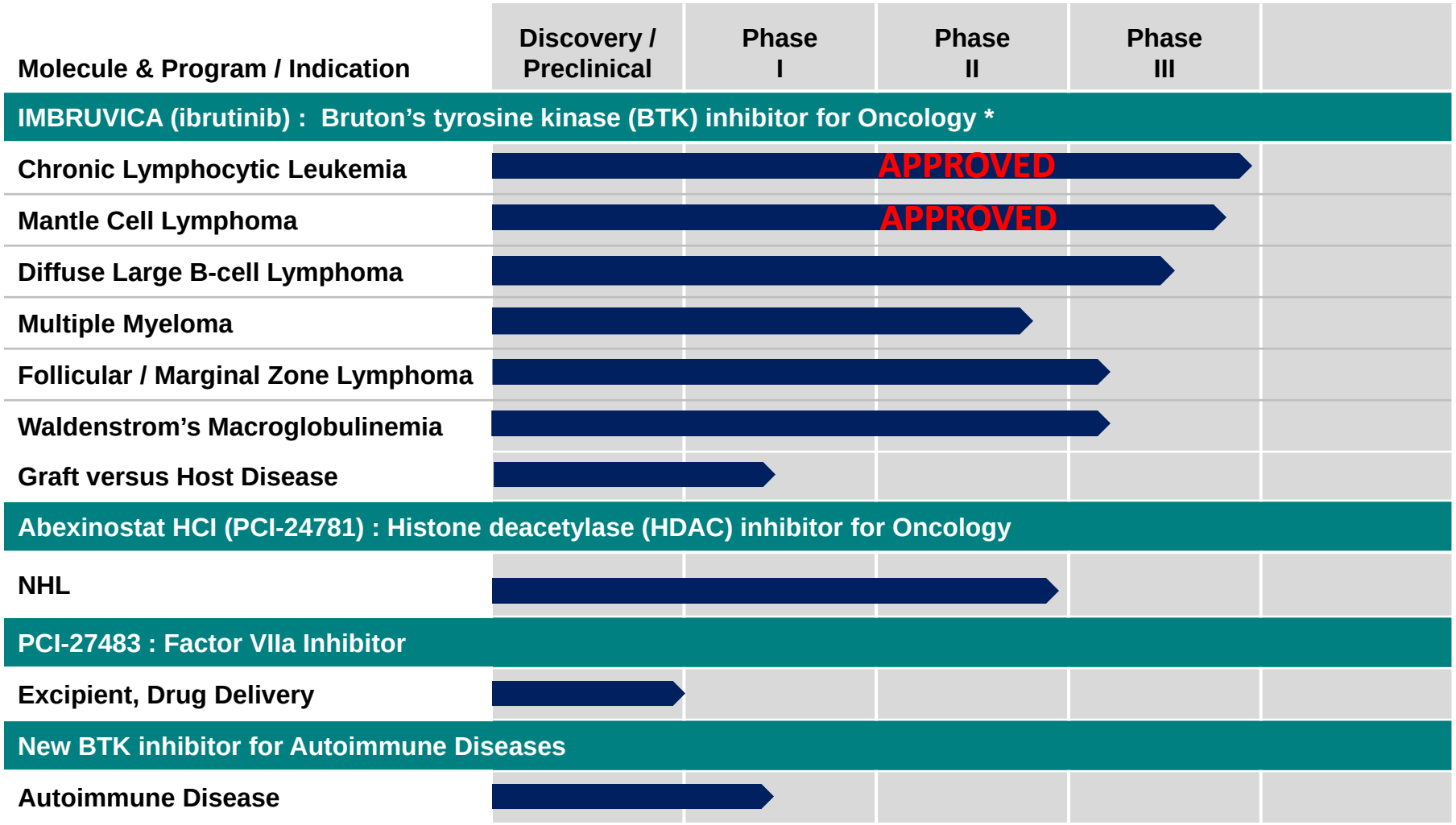
Janssen Biotech, Inc. contractual milestones remaining:

Development Progress	$ 50 million
Regulatory Progress	$ 70 million
Approval	$ 120 million
	$ 240 million

(earned as of 11/04/14: upfront $150M, $200M in development milestones, $155M in Regulatory Progress, $230M Approval) for a total $975M in milestone payments

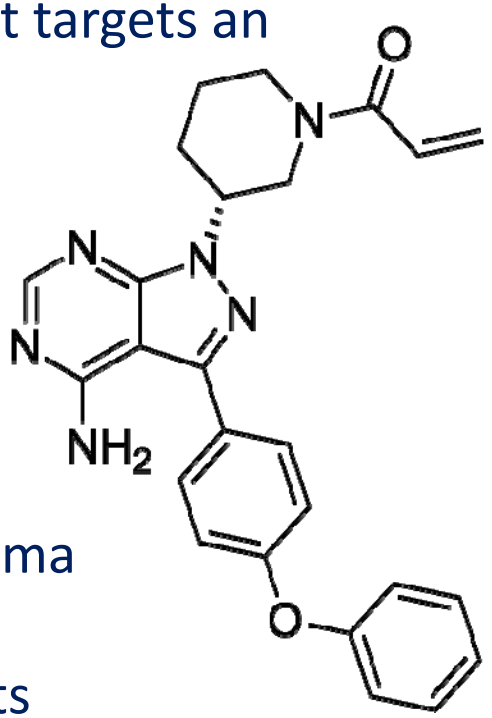
•Non GAAP Expenses do not include $12.0M in stock-based compensation expense.
** Cash balance does not include net $50.7M due to Janssen under the collaboration agreement.

Pharmacyclics Current Pipeline

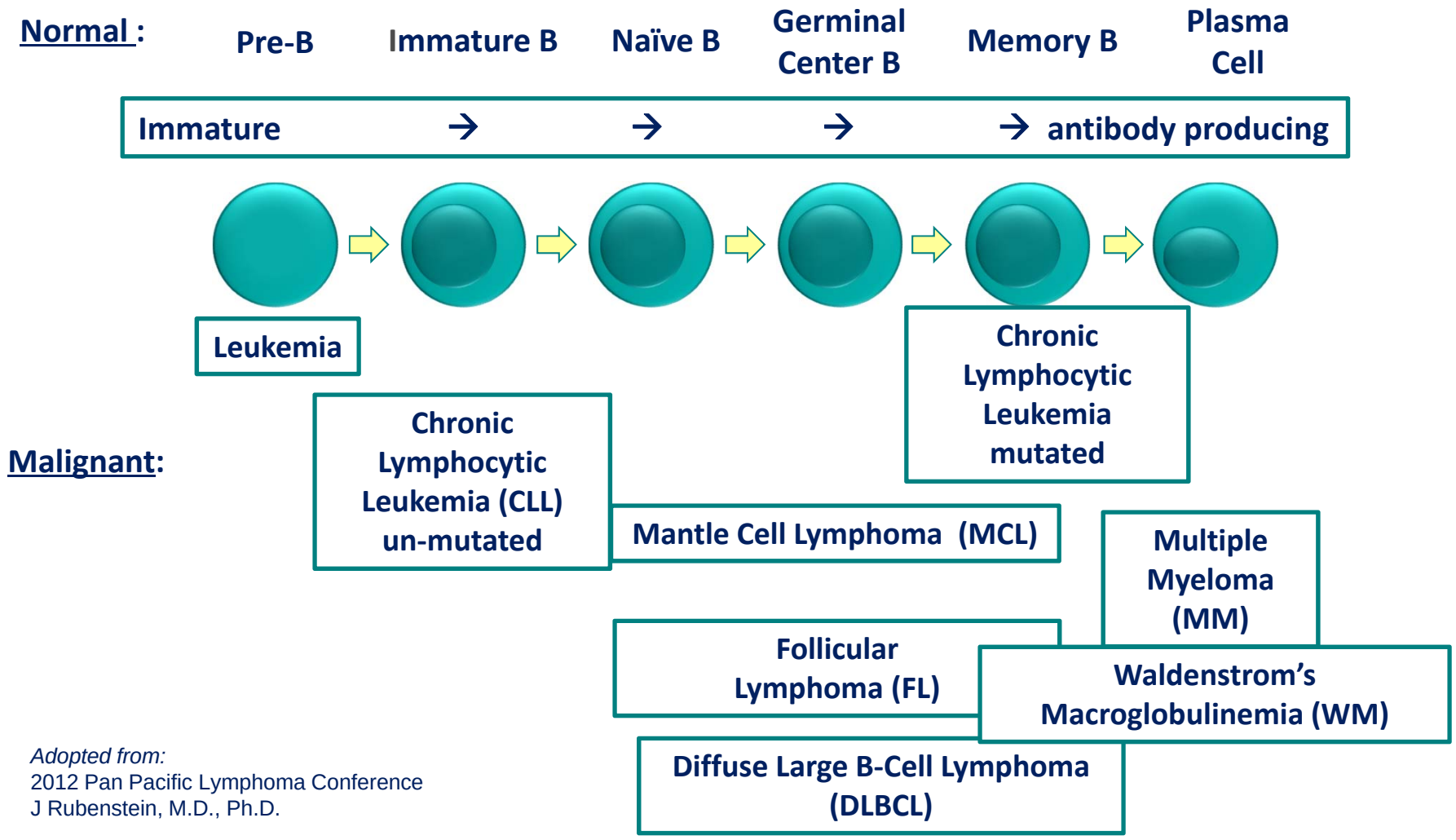


IMBRUVICA (Ibrutinib - PCI-32765)

- IMBRUVICA is a first and best in class oral therapy that targets an important pathway in B-cell malignancies.
- IMBRUVICA is investigated in 35 countries with more than 800 investigators engaged.
- To date over 4600 patients have been treated in over 50 clinical trials.
- IMBRUVICA is approved in the US and in the EU for the treatment of patients with mantle cell lymphoma and chronic lymphocytic leukemia who have received at least one prior therapy, as well as those CLL patients who have deletion of chromosome 17p.
- More than 10,000 patients have already used the drug commercially.

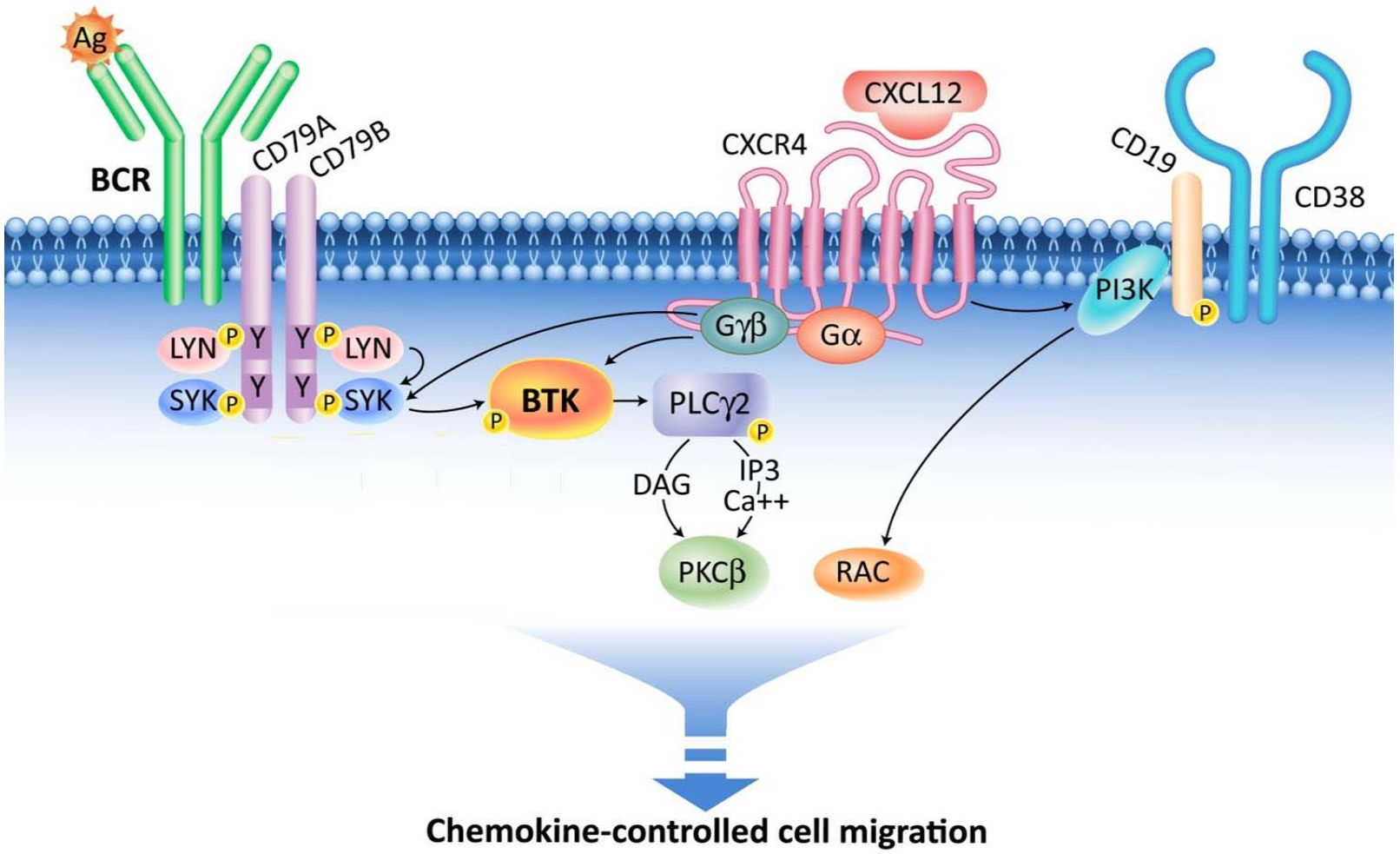


B-Cell Development and Origin of B-cell Malignancies



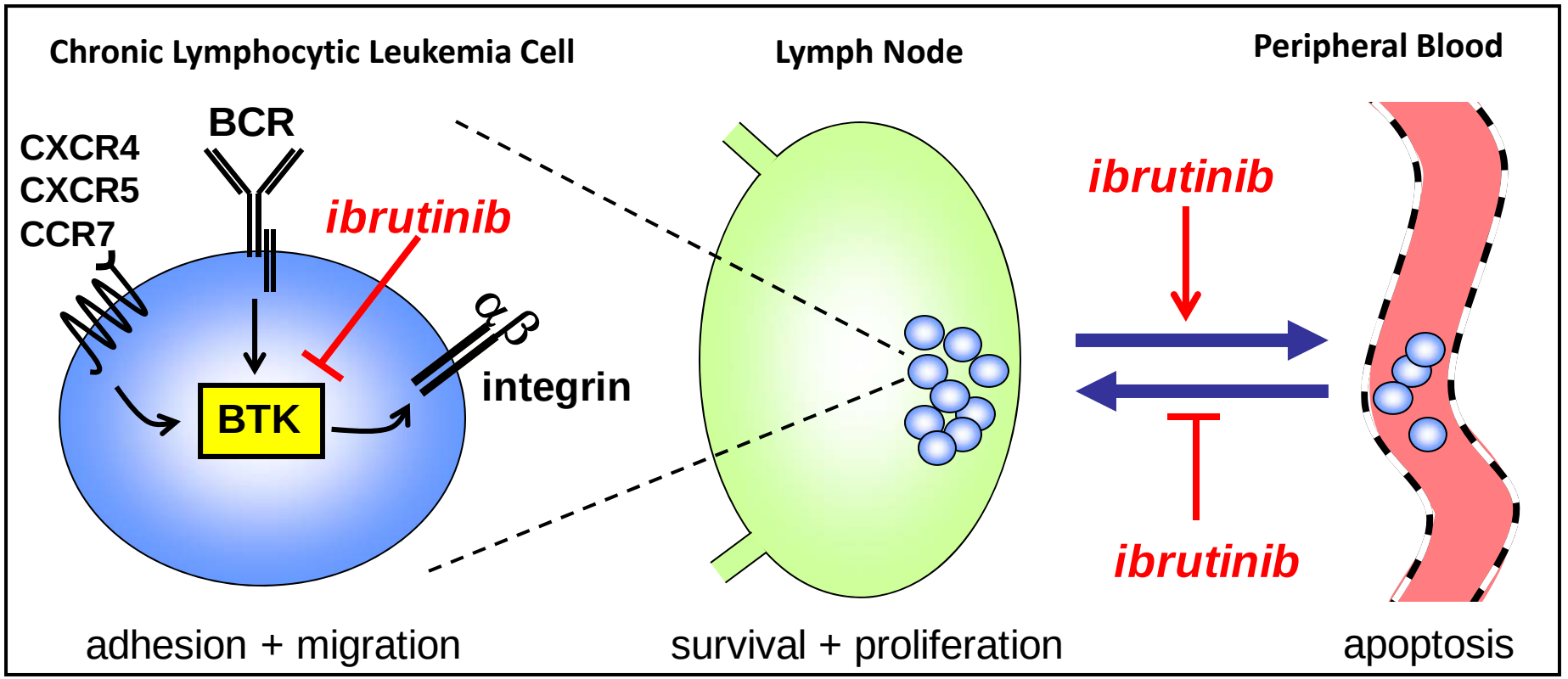
Adopted from:
2012 Pan Pacific Lymphoma Conference
J Rubenstein, M.D., Ph.D.

BTK Signaling Pathway



Mechanism of BTK:

IMBRUVICA® (ibrutinib) Blocks Malignant B-Cell growth and Proliferation



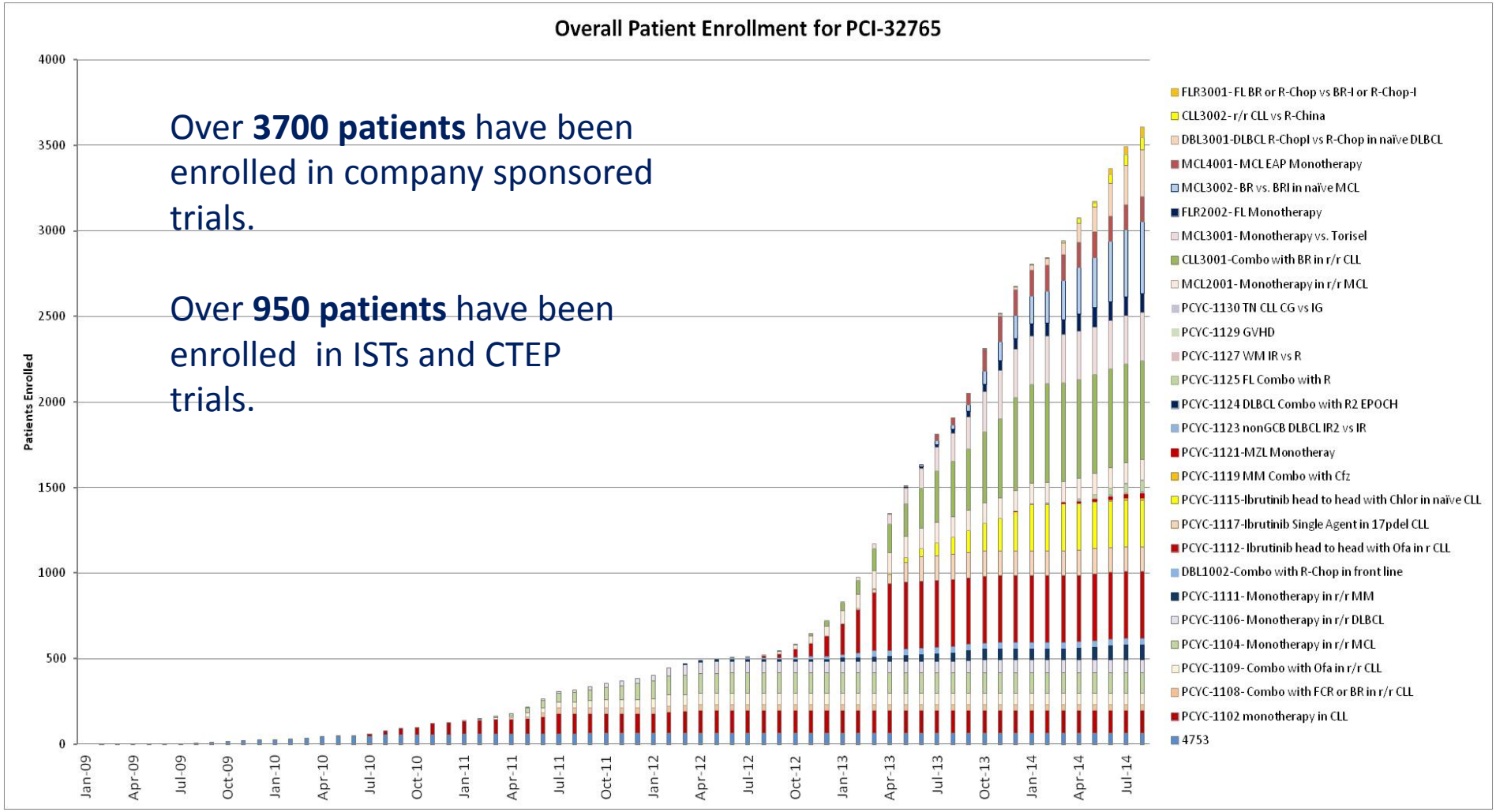
From: de Rooij *et al*, Blood 119: 2590-2594

Collaboration with Janssen (J&J) to Develop / Commercialize IMBRUVICA

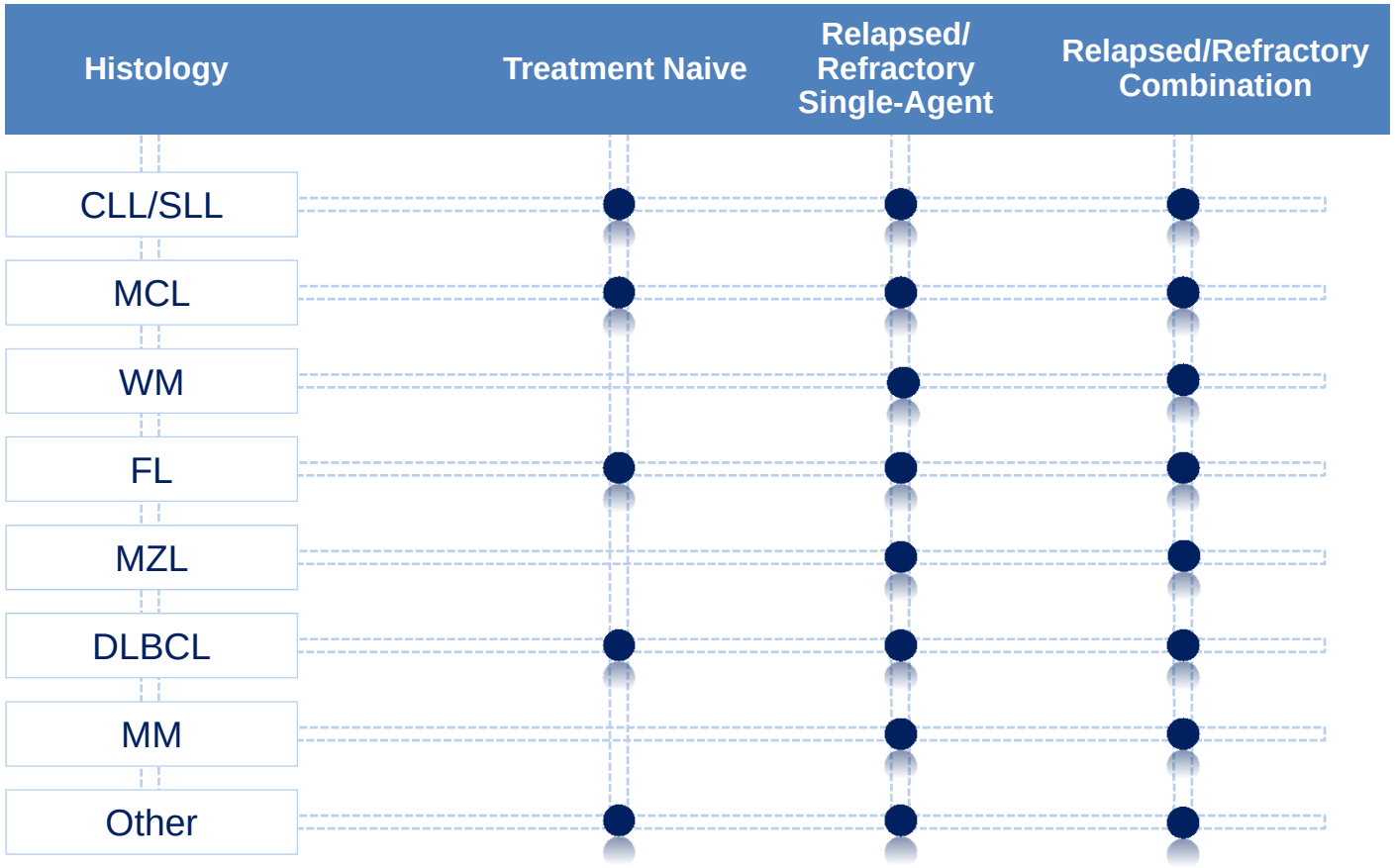
Worldwide collaboration to broaden and accelerate the development of IMBRUVICA in oncology, signed in December 2011

- $150M upfront; milestones $250M for continued development progress, $225M for regulatory progress and $350M for approval
- Global development plan defined, each company leading the development for specific indications. Development costs shared 40% Pharmacyclics and 60% Janssen for multiple phase III trials
- 50/50 profit split. Pharmacyclics will book sales and lead commercialization strategy in the US; Janssen will be responsible for the same outside the US
- Development and commercialization activities managed through a shared governance structure

Overall Enrollment in IMBRUVICA's Company Sponsored Clinical Program



IMBRUVICA® Clinical Development Overview



Breakthrough Therapy Designations

- IMBRUVICA is the only compound to have received three FDA Breakthrough Designations:
  - Relapsed/Refractory Mantle Cell Lymphoma (MCL) - Feb 2013
  - Waldenstrom's Macroglobulinemia (WM) - Feb 2013 and
  - Chronic Lymphocytic Leukemia (CLL) w/del.17p - Mar 2013
- After only 4.5 year of clinical development IMBRUVICA received its first approval for two of its Breakthrough Therapy Designations (MCL and CLL) and has filed for regulatory approval in WM.

IMBRUVICA® APPROVALs to date in the US and EU

Indications:	CLL and MCL Patients who have received at least one prior therapy CLL Patients with Del 17P (all lines)

Label includes: Statistically Significant Improvement in Overall Survival (HR=0.22, p<0.0001) and Progression Free Survival (HR=0.43, p<0.05) for Previously Treated CLL Patients vs. Ofatumumab
IMBRUVICA has also been recommended for EU approval in its 28 member countries.

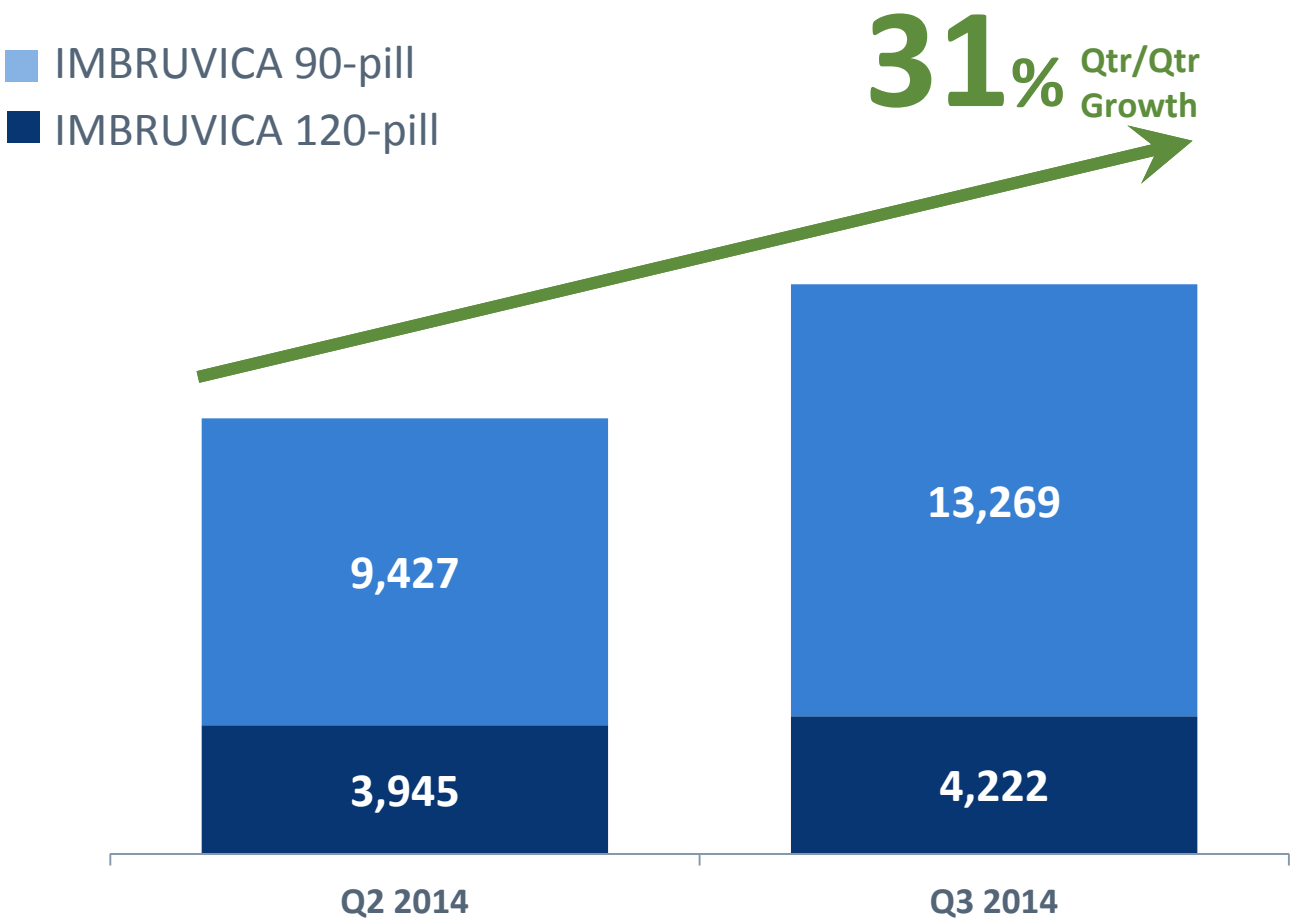


Bottles of **IMBRUVICA** Shipped

As of Q3 a total of 37,752 Total Bottles Shipped Year to Date

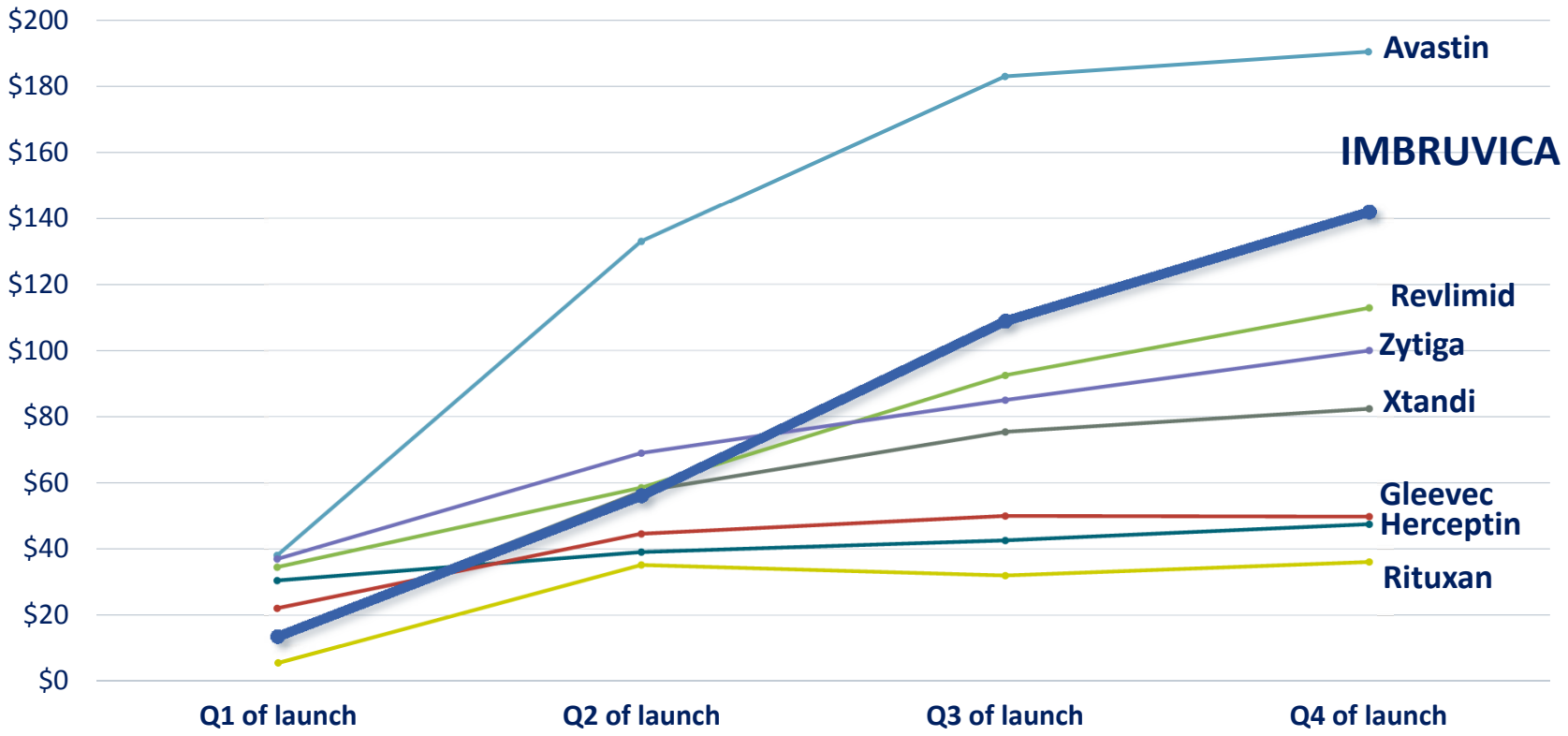


Q3'14 Highlights



IMBRUVICA Revenue by Quarter Nov 2013 – Sept 2014

IMBRUVICA in Comparison to Best US Cancer Drugs
- First Four Quarters -



CLL/SLL & MCL US Prevalence Patient Estimates

	CLL/SLL		MCL	
Diagnosed Incidence [1]	20,600		2,900	
Prevalence [2]	121,200		13,300	
No Therapy [2]	54,700		2,400	
1L Therapy [2]	23,300		4,800	
2L Therapy [2]	10,300		1,400	
3L+ Therapy [2]	7,000	Total: 43,200	1,000	Total: 6,100
*Other [2] (All these patients are between lines of therapy; 1/3 received maintenance, 2/3 were not on therapy in observation period)	25,900		3,700	

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[2] IMS patient claims estimates for July 2013-June 2014. Note: This information is an estimate derived from the use of information under license from the following IMS Health Incorporated information service: IMS Oncology Tracking Reports for the period July 2013 to June 2014. IMS expressly reserves all rights, including rights of copying, distribution and republication.

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Patient Populations (G7) in Major Hematological Malignancies

	US		All Major Markets[3]	
	Incidence	Prevalence	Incidence	Prevalence
CLL/SLL	20,600[1]	121,200[2]	41,000[1]	267,000[1]
MCL	2,900[1]	11,300[2]	6,500[1]	38,200[1]
WM	1,500[4]	12,000[2]	6,000[4]	23,000[4]
DLBCL	25,000[1]	112,000[2]	54,100[1]	367,000[1]
FL	13,700[1]	63,000[2]	28,500[1]	245,000[1]
MM	20,000[1]	77,000[1]	48,000[1]	183,000[1]
TOTAL	**83,700**	**396,500[2]**	**184,100**	**1,123,200[1]**

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[3] Major markets include: US, UK, Spain, Germany, France, Italy, and Japan [4] WM Foundation estimate

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DEVELOP, BUILD and EXPAND LEADERSHIP

- Expand our leadership in
  -CLL/SLL, MCL and WM
- Build up a leadership position in
  - DLBCL, FL, MZL, MM
- Develop a leadership position in those selective areas where we can achieve market dominant position – GVHD and in niche solid tumors

Become the Backbone Therapy in B-cell Malignancies

To date more than half of all IMBRUIVCA studies are in combinations. Large variety of agents are clinically explored in company sponsored and investigator initiated studies: Rituxan, Gazyva, Ofatumumab, Lenolidemide, Carfilzomib, Bendamustine , R^2, FCR, RCHOP, DHAP, RICE, EPOCH, Nivolumab and others.

IMBRUVICA's Kinase Inhibition Profile Leads to Clinical Development Opportunities in other Indications

Kinase	IC_{50}, nM	Btk selectivity, fold
BTK	0.5	—
BLK*	0.5	1
BMX*	0.8	1.6
CSK	2.3	4.6
FGR	2.3	4.6
BRK	3.3	6.6
HCK	3.7	7.4
EGFR*	5.6	11.2
YES	6.5	13
ErbB2*	9.4	18.8
ITK*	10.7	21.4
JAK3*	16.1	32.2
FRK	29.2	58.4
LCK	33.2	66.4
RET	36.5	73
FLT3	73	146
TEC*	78	156

IMBRUVICA has further utility in oncology and may also in autoimmune diseases due to the inhibition of important Tec-kinases.

Most recently the inhibition of ITK through IMBRUVICA showed immuno-modulatory benefits in preclinical studies. ITK is an important modulator of T-Cells and can inhibit downstream activation of TH2 cells, which leads to proliferation of immune cells toward TH1 and to T-cell modulation.

BTK inhibition also leads to an inhibition of mast cells and macrophages, potentially improving the tumor microenvironment.

Pharmacyclics: Vision, Leadership, Execution

Expand our leadership in the creation of a new era of patient-friendly, body-harmonious medicinal solutions.



- Be true allies to patients, caregivers, and physicians in support of their struggle against rare and heretofore incurable cancers.
- Lead the fundamental redefinition of treatments that change the lives of patients for the better.
- Achieve a new era of therapy defined as:

$$\text{New Area of Therapy} = \frac{\text{Efficacy} + \text{Duration of Response} + \text{Tolerability}}{(\text{Side Effects})^2}$$

Pharmacyclics

Making a difference for the betterment of patients