

Condensed Statement of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Research and development	\$ 55	\$ 1,444	\$ 1,626	\$ 6,112
License revenues	<u> 101</u>	<u> 700</u>	<u> 1,501</u>	<u> 2,800</u>
Total revenues	<u> 156</u>	<u> 2,144</u>	<u> 3,127</u>	<u> 8,912</u>
Operating Expenses:				
Research and development	13,026	10,735	49,225	40,570
General and administrative	<u> 4,109</u>	<u> 3,105</u>	<u> 15,240</u>	<u> 12,975</u>
Total operating expenses	<u> 17,135</u>	<u> 13,840</u>	<u> 64,465</u>	<u> 53,545</u>
Operating loss:	(16,979)	(11,696)	(61,338)	(44,633)
Interest and other income	1,174	760	4,746	2,916
Interest and other expense	<u> (141)</u>	<u> (145)</u>	<u> (523)</u>	<u> (535)</u>
Net loss	<u>\$ (15,946)</u>	<u>\$ (11,081)</u>	<u>\$ (57,115)</u>	<u>\$ (42,252)</u>
Net loss per common share - basic and diluted	\$ (0.41)	\$ (0.38)	\$ (1.56)	\$ (1.48)
Weighted average shares used in computing net loss per common share - basic and diluted	39,067,107	28,844,212	36,618,141	28,582,145

Condensed Balance Sheet Data
(in thousands)
(unaudited)

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Assets		
Cash and cash equivalents	\$ 39,387	\$ 13,515
Short term investments	70,155	62,697
Other current assets	<u>44,080</u>	<u>2,652</u>
Total current assets	153,622	78,864
Property and equipment, net	9,202	6,178
Restricted investments	6,034	5,172
Other assets	<u>658</u>	<u>1,247</u>
Total assets	<u><u>\$ 169,516</u></u>	<u><u>\$ 91,461</u></u>
Liabilities and stockholders' equity		
Current liabilities	\$ 26,392	\$ 11,264
Long-term obligations	36,810	6,636
Stockholder's equity	<u>106,314</u>	<u>73,561</u>
Total liabilities and stockholders' equity	<u><u>\$ 169,516</u></u>	<u><u>\$ 91,461</u></u>