

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

	Three Months Ended	
	March 31, 2009	March 31, 2008
Revenues:		
Research and development	\$ 20	\$ 11
License revenues	3,058	3,058
Total revenues	3,078	3,069
Operating Expenses:		
Research and development	9,959	14,102
General and administrative	4,020	4,157
Restructuring charges	(58)	-
Total operating expenses	13,921	18,259
Operating loss	(10,843)	(15,190)
Interest and other, net	158	1,295
Net loss	\$ (10,685)	\$ (13,895)
Net loss per common share - basic and diluted	\$ (0.21)	\$ (0.28)
Weighted average shares used in computing net loss per common share – basic and diluted	51,581,921	49,293,865

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Condensed Balance Sheet  
(in thousands)  
(unaudited)

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 48,489	\$ 41,819
Short term investments	15,607	15,048
Other current assets	1,236	2,043
Total current assets	<u>65,332</u>	<u>58,910</u>
Investments in auction rate securities	17,306	16,636
Investment put option	2,719	3,389
Property and equipment, net	4,714	5,087
Restricted investments	2,232	2,750
Other assets	<u>619</u>	<u>682</u>
<b>Total assets</b>	<b>\$ <u>92,922</u></b>	<b>\$ <u>87,454</u></b>
 <b>Liabilities and stockholders' equity</b>		
Current liabilities	\$ 22,062	\$ 22,877
Long-term obligations	23,664	14,811
Stockholders' equity	<u>47,196</u>	<u>49,766</u>
<b>Total liabilities and stockholders' equity</b>	<b>\$ <u>92,922</u></b>	<b>\$ <u>87,454</u></b>