

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

	Three Months Ended		Six Months Ended	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
Revenues:				
Research and development and grant revenues	\$ 1,641	\$ 2,200	\$ 3,513	\$ 7,367
License revenues	700	700	1,400	1,400
Total revenues	<u>2,341</u>	<u>2,900</u>	<u>4,913</u>	<u>8,767</u>
Operating Expenses:				
Research and development	10,039	9,777	20,576	19,137
General and administrative	3,403	2,644	6,546	5,119
Total operating expenses	<u>13,442</u>	<u>12,421</u>	<u>27,122</u>	<u>24,256</u>
Operating loss:	(11,101)	(9,521)	(22,209)	(15,489)
Interest and other income	688	416	1,400	590
Interest and other expense	<u>(127)</u>	<u>(126)</u>	<u>(261)</u>	<u>(264)</u>
Net loss	<u>\$ (10,540)</u>	<u>\$ (9,231)</u>	<u>\$ (21,070)</u>	<u>\$ (15,163)</u>
Net loss per common share - basic and diluted	\$ (0.37)	\$ (0.46)	\$ (0.74)	\$ (1.35)
Weighted average shares used in computing net loss per common share - basic and diluted	28,513,959	20,187,814	28,447,164	11,254,899

Condensed Balance Sheet Data
(in thousands)
(unaudited)

	<u>June 30,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
Assets		
Cash and cash equivalents	\$ 10,910	\$ 13,061
Short term investments	78,191	92,637
Other current assets	<u>3,181</u>	<u>3,369</u>
Total current assets	92,282	109,067
Long term investments	-	4,555
Property and equipment, net	6,368	7,336
Restricted investments	5,136	5,980
Other assets	<u>1,416</u>	<u>1,163</u>
Total assets	<u>\$ 105,202</u>	<u>\$ 128,101</u>
Liabilities and stockholders' equity		
Current liabilities	\$ 10,476	\$ 11,039
Long-term obligations	6,868	9,506
Stockholder's equity	<u>87,858</u>	<u>107,556</u>
Total liabilities and stockholders' equity	<u>\$ 105,202</u>	<u>\$ 128,101</u>