

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

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Revenues:				
Research and development	\$ 1,072	\$ 106	\$ 1,337	\$ 1,572
License revenues	3,058	-	9,175	1,400
Total revenues	<u>4,130</u>	<u>106</u>	<u>10,512</u>	<u>2,972</u>
Operating Expenses:				
Research and development	13,217	12,535	39,430	36,199
General and administrative	4,113	3,572	12,611	11,131
Total operating expenses	<u>17,330</u>	<u>16,107</u>	<u>52,041</u>	<u>47,330</u>
Operating loss:	(13,200)	(16,001)	(41,529)	(44,358)
Interest and other income	2,055	1,215	6,418	3,572
Interest and other expense	(176)	(134)	(531)	(383)
Net loss	<u>\$ (11,321)</u>	<u>\$ (14,920)</u>	<u>\$ (35,642)</u>	<u>\$ (41,169)</u>
Net loss per common share - basic and diluted	\$ (0.24)	\$ (0.41)	\$ (0.76)	\$ (1.15)
Weighted average shares used in computing net loss per common share – basic and diluted	47,460,424	36,729,400	47,039,631	35,793,082

Condensed Balance Sheet
(in thousands)
(unaudited)

	September 30, 2007	December 31, 2006
Assets		
Cash and cash equivalents	\$ 108,491	\$ 39,387
Short term investments	44,450	70,155
Other current assets	2,264	44,079
Total current assets	155,205	153,621
Property and equipment, net	7,820	9,202
Restricted investments	5,167	6,034
Other assets	510	659
Total assets	\$ 168,702	\$ 169,516
Liabilities and stockholders' equity		
Current liabilities	\$ 26,238	\$ 26,393
Long-term obligations	32,966	36,810
Stockholder's equity	109,498	106,313
Total liabilities and stockholders' equity	\$ 168,702	\$ 169,516