

Condensed Statement of Operations

(in thousands, except share and per share data)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
Revenues:				
Research and development	\$ 51	\$ 55	\$ 1,388	\$ 1,626
License revenues	<u>3,058</u>	<u>101</u>	<u>12,234</u>	<u>1,501</u>
Total revenues	<u>3,109</u>	<u>156</u>	<u>13,622</u>	<u>3,127</u>
Operating Expenses:				
Research and development	13,958	13,026	53,388	49,225
General and administrative	<u>4,110</u>	<u>4,109</u>	<u>16,721</u>	<u>15,240</u>
Total operating expenses	<u>18,068</u>	<u>17,135</u>	<u>70,109</u>	<u>64,465</u>
Operating loss	(14,959)	(16,979)	(56,487)	(61,338)
Interest and other income	1,874	1,174	8,292	4,746
Interest and other expense	<u>(168)</u>	<u>(141)</u>	<u>(699)</u>	<u>(523)</u>
Net loss	<u>\$ (13,253)</u>	<u>\$ (15,946)</u>	<u>\$ (48,894)</u>	<u>\$ (57,115)</u>
Net loss per common share - basic and diluted	\$ (0.27)	\$ (0.41)	\$ (1.03)	\$ (1.56)
Weighted average shares used in computing net loss per common share – basic and diluted	49,224,043	39,067,107	47,590,205	36,618,141

Condensed Balance Sheet
(in thousands)
(unaudited)

	December 31, 2007	December 31, 2006
Assets		
Cash and cash equivalents	\$ 116,564	\$ 39,387
Short term investments	23,200	70,155
Other current assets	2,277	44,079
Total current assets	142,041	153,621
Property and equipment, net	7,728	9,202
Restricted investments	5,167	6,034
Other assets	434	659
Total assets	\$ 155,370	\$ 169,516
 Liabilities and stockholders' equity		
Current liabilities	\$ 26,448	\$ 26,393
Long-term obligations	29,006	36,810
Stockholders' equity	99,916	106,313
Total liabilities and stockholders' equity	\$ 155,370	\$ 169,516