

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

	Three Months Ended		Nine Months Ended	
	September 30, 2004	September 30, 2003	September 30, 2004	September 30, 2003
Revenues:				
Research and development and grant revenues	\$ 1,749	\$ 1,867	\$ 9,116	\$ 5,770
License fees	700	700	2,100	2,100
Total revenues	<u>2,449</u>	<u>2,567</u>	<u>11,216</u>	<u>7,870</u>
Operating Expenses				
Research and development	9,535	9,099	28,644	24,141
General and administrative	3,569	2,176	8,716	7,339
Total operating expenses	<u>13,104</u>	<u>11,275</u>	<u>37,360</u>	<u>31,480</u>
Operating loss:	(10,655)	(8,708)	(26,144)	(23,610)
Interest and other income	983	685	2,283	1,798
Interest and other expense	(543)	(646)	(1,517)	(1,722)
Net loss	<u>\$ (10,215)</u>	<u>\$ (8,669)</u>	<u>\$ (25,378)</u>	<u>\$ (23,534)</u>
Net loss per common share:				
Basic and diluted	\$ (0.36)	\$ (4.51)	\$ (1.50)	\$ (12.48)
Weighted average shares used in computing net loss per common share, basic and diluted	28,154,119	1,921,414	16,888,804	1,885,913

Condensed Balance Sheet Data
(in thousands)
(unaudited)

	<u>September 30,</u> <u>2004</u>	<u>December 31,</u> <u>2003</u>
Assets		
Cash and cash equivalents	\$ 19,775	\$ 10,991
Short term investments	91,327	24,197
Other current assets	<u>2,453</u>	<u>1,888</u>
Total current assets	113,555	37,076
Property and equipment, net	7,505	8,870
Non-current and restricted investments	6,669	8,345
Investments	10,441	7,857
Other assets	<u>756</u>	<u>725</u>
Total assets	<u><u>\$ 138,926</u></u>	<u><u>\$ 62,873</u></u>
Liabilities, convertible preferred stock and stockholders' equity (deficit)		
Current liabilities	\$ 10,789	\$ 9,457
Long-term obligations	9,764	12,275
Preferred stock	-	133,172
Stockholder's equity (deficit)	<u>118,373</u>	<u>(92,031)</u>
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	<u><u>\$ 138,926</u></u>	<u><u>\$ 62,873</u></u>