

Condensed Consolidated Statements of Operations (unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2006	2005	2006	2005
	in thousands, except per share amounts			
Revenue.....	\$ 8,566	\$ 13,197	\$ 29,059	\$ 34,157
OPERATING EXPENSES				
Cost of revenue.....	11,357	9,149	31,666	27,082
Research and development – proprietary programs.....	14,178	10,989	42,902	30,069
Selling, general and administrative.....	6,938	4,840	16,597	13,692
Total operating expense.....	32,473	24,978	91,165	70,843
Operating loss.....	(23,907)	(11,781)	(62,106)	(36,686)
Interest income.....	1,834	1,631	4,882	4,284
Interest expense.....	(1,728)	(1,686)	(5,135)	(5,775)
Other non-operating income and (expense), net.....	169	466	111	(3,461)
Net loss	\$ (23,632)	\$ (11,370)	\$ (62,248)	\$ (41,638)
Basic and diluted net loss per share:	\$ (0.40)	\$ (0.21)	\$ (1.11)	\$ (0.78)
Shares used in computing basic and diluted net loss per share.....	59,616	53,741	56,333	53,685

Condensed Consolidated Balance Sheet Data (unaudited)

	At September 30, 2006	At December 31, 2005
	in thousands	
Cash and investments...	\$ 126,831	\$ 155,554
Total assets.....	189,551	206,758
Total liabilities.....	223,245	216,095
Total shareholders' deficit..	(33,694)	(9,337)

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