

Condensed Consolidated Statements of Operations

| | For the three months ended December 31, | | For the full-year ended December 31, | |
|---|--|-------------|---|-------------|
| | 2005 | 2004 | 2005 | 2004 |
| | in thousands, except share and per share amounts (unaudited) | | | |
| Revenue..... | \$ 9,798 | \$ 11,188 | \$ 43,955 | \$ 42,127 |
| OPERATING EXPENSES | | | | |
| Cost of revenue, including collaborative revenue..... | 10,181 | 11,486 | 37,263 | 43,407 |
| Research and development – proprietary programs..... | 13,679 | 8,749 | 43,748 | 24,942 |
| Selling, general and administrative..... | 6,426 | 5,996 | 20,118 | 20,187 |
| Total operating expense..... | 30,286 | 26,231 | 101,129 | 88,536 |
| Operating loss..... | (20,488) | (15,043) | (57,174) | (46,409) |
| Interest income..... | 2,113 | 997 | 6,397 | 2,903 |
| Interest expense..... | (1,709) | (2,955) | (7,484) | (8,983) |
| Other non-operating income and (expense), net..... | (1,028) | (2,437) | (4,489) | (4,766) |
| Net loss | \$ (21,112) | \$ (19,438) | \$ (62,750) | \$ (57,255) |
| Basic and diluted net loss per share: | \$ (0.39) | \$ (0.36) | \$ (1.17) | \$ (1.07) |
| Shares used in computing basic and diluted net loss per share..... | 53,932,268 | 53,616,548 | 53,823,999 | 53,422,931 |

Condensed Consolidated Balance Sheet Data

| | At December 31, 2005 | At December 31, 2004 |
|---|--------------------------|-------------------------|
| | in thousands (unaudited) | |
| Cash and investments, including restricted cash..... | \$ 155,554 | \$ 198,320 |
| Total assets..... | 206,758 | 288,252 |
| Total liabilities..... | 216,095 | 235,856 |
| Total shareholders' equity..... | (9,337) | 52,396 |

Any statements contained in this presentation that relate to future plans, events or performance are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results, and the timing of events, to differ materially from those described in the forward-looking statements. These risks and uncertainties include, among others, those relating to technology and product development, integration of acquired businesses, market acceptance, government regulation and regulatory approval processes, intellectual property rights and litigation, dependence on collaborative relationships, ability to obtain financing, competitive products, industry trends and other risks identified in deCODE's filings with the Securities and Exchange Commission. deCODE undertakes no obligation to update or alter these forward-looking statements as a result of new information, future events or otherwise.