



## Threshold Pharmaceuticals Reports Second Quarter 2009 Financial Results

REDWOOD CITY, Calif., Aug 6, 2009 (GlobeNewswire via COMTEX News Network) -- Threshold Pharmaceuticals, Inc. (Nasdaq:THLD), today reported financial results for the second quarter ended June 30, 2009.

The net loss for the second quarter of 2009 was \$6.2 million compared to \$4.0 million for the second quarter of 2008. Research and development expenses were \$4.2 million for the second quarter of 2009 versus \$3.0 million for the second quarter of 2008. The increase in research and development expenses primarily reflects an increase in clinical trial expenses related to TH-302, the Company's hypoxia activated prodrug (HAP) in clinical trials for the treatment of solid tumors. General and administrative expenses were \$1.2 million for the second quarter of 2009 versus \$1.4 million for the second quarter of 2008. This decrease was primarily due to lower employee-related and facilities expenses. Threshold recognized no revenue in the quarter ended June 30, 2009, compared to \$0.4 million for the quarter ended June 30, 2008, related to amortization of an up-front payment from a pre-existing development agreement with MediBIC Co., Ltd. Revenue was fully recognized under this agreement as of the end of the fourth quarter of 2008. Total non-cash stock compensation expense for the Company was \$0.5 million for the second quarter of 2009 versus \$0.8 million for the second quarter of 2008. The decrease in stock-based compensation expense is due to the amortization of fewer options with lower valuations. Interest and other expense for the second quarter of 2009 was \$0.8 million versus \$18,000 for the second quarter of 2008. This increase was due to a \$0.7 million non-cash charge related to the revaluation of the Company's 3.6 million outstanding common stock warrants as a result of its adoption of EITF 07-5 "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock" in the first quarter of 2009.

For the six months ended June 30, 2009, the net loss was \$12.8 million, compared to \$8.9 million in 2008. Research and development expenses were \$7.7 million in the first half of 2009 compared to \$6.2 million in the first half of 2008, and increased primarily as a result of clinical trial expenses related to TH-302. General and administrative expenses decreased to \$2.8 million in the first half of 2009 from \$3.7 million in the first half of 2008, primarily due to lower employee-related and facilities expenses and, to a lesser extent, consulting expenses. Threshold recognized no revenue for the six months ended June 30, 2009, compared to \$0.8 million for the six months ended June 30, 2008, related to the pre-existing MediBIC agreement. As previously mentioned, revenue was fully recognized under this agreement as of the end of the fourth quarter of 2008. Total non-cash stock compensation expense for the Company was \$1.1 million for the first half of 2009 versus \$1.9 million for the first half of 2008. This decrease was primarily due to the amortization of fewer options with lower valuations. Interest and other expense for the first half of 2009 was \$2.2 million versus \$39,000 for the first half for 2008. This increase was due to a \$2.1 million non-cash charge related to the revaluation of the Company's 3.6 million outstanding common stock warrants as a result of its adoption of EITF 07-5.

For the six months ended June 30, 2009, the Company's cash requirements were \$9.6 million. As of June 30, 2009, Threshold had \$12.8 million in cash, cash equivalents and marketable securities.

### Product Development Update

During the quarter, the Company presented clinical trial results related to its hypoxia-activated prodrug, TH-302 at the American Society for Clinical Oncology (ASCO). Results from a Phase 1 clinical trial evaluating the safety and preliminary efficacy of TH-302 in patients with advanced solid tumors were presented. Additionally, the Company reported on two additional clinical trials that are investigating TH-302 in combination with one of four different chemotherapy regimens (gemcitabine, docetaxel, pemetrexed or doxorubicin). A webcast presentation of the clinical trial results can be found on the Company's website.

On August 4, TH-302 clinical trial results were presented at the World Congress on Lung Cancer Meeting. The presentation, by Dr. Glen Weiss, Director of Thoracic Oncology at the Virginia G. Piper Cancer Center's Scottsdale Clinical Research Institute, summarized results from two Phase 1 clinical trials of TH-302. The two clinical trials are both evaluating the safety and preliminary efficacy of TH-302 in patients with advanced solid tumors; one in combination with other chemotherapy agents and the other with TH-302 as monotherapy. Data from these trials were previously discussed at the ASCO Meeting in May 2009. Results from twenty-one patients with relapsed/refractory lung cancer across the two clinical trials were presented in an oral presentation. For more details regarding this presentation, please see the news release dated August 4, 2009 on the Company's website.

The Company is proud to announce the issuance of its first U.S. patent focused on HAPs of anti-cancer agents. This patent, number 7,550,496, which issued on June 23, 2009, claims HAPs of anti-cancer alkylating agents and has claims that cover TH-302. Patent protection extends to 2024.

## 2009 Guidance and Key Milestones

The Company expects to present top-line results from the Phase 1 monotherapy clinical trial and interim results from the two Phase 1/2 combination therapy clinical trials in the fourth quarter of 2009. We also expect to complete enrollment in the Phase 1/2 trials in the fourth quarter of 2009. The Company continues to expect 2009 cash requirements to be in the range of \$19 to \$21 million. The Company expects existing cash, cash equivalents and marketable securities to last into the first quarter of 2010.

## About Threshold Pharmaceuticals, Inc.

Threshold is a biotechnology company focused on the discovery and development of drugs targeting the tumor microenvironment. This approach offers broad potential to treat most solid tumors. By selectively targeting tumor cells, we are building a pipeline of drugs that hold promise to be more effective and less toxic to healthy tissues than conventional anticancer drugs. For additional information, please visit our website ([www.thresholdpharm.com](http://www.thresholdpharm.com)).

## Forward-Looking Statements

Except for statements of historical fact, the statements in this press release are forward-looking statements, including statements regarding Threshold's product candidates and approach to developing new product candidates, pre-clinical testing of TH-302, clinical trials and anticipated results, potential therapeutic uses and benefits of TH-302, financial results, estimates, projections and requirements and Threshold's patents and patent coverage. These statements involve risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, Threshold's ability to attract and retain employees, maintain, enforce and defend its intellectual property portfolio, commence, enroll or complete its anticipated clinical trials, the time and expense required to conduct such clinical trials and analyze data, issues arising in the regulatory or manufacturing process and the results of such clinical trials (including product safety issues and efficacy results). Further information regarding these and other risks is included under the heading "Risk Factors" in Threshold's Quarterly Report on Form 10-Q, which was filed with the Securities Exchange Commission on August 6, 2009 and is available from the SEC's website ([www.sec.gov](http://www.sec.gov)) and on our website under the heading "Investors." We undertake no duty to update any forward-looking statement made in this news release.

THRESHOLD PHARMACEUTICALS, INC  
(A Development Stage Enterprise)  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except per share amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenue	\$ --	\$ 359	\$ --	\$ 718
Operating expenses				
Research and development	4,247	3,020	7,746	6,201
General and administrative	1,208	1,392	2,880	3,723
Total Operating Expenses	5,455	4,412	10,626	9,924
Loss from operations	(5,455)	(4,053)	(10,626)	(9,206)
Interest and other income	22	106	61	305
Interest and other expense	(786)	(18)	(2,197)	(39)
Net Loss	\$ (6,219)	\$ (3,965)	\$ (12,762)	\$ (8,940)

Net loss per common share - basic and diluted	\$ (0.41)	\$ (0.64)	\$ (0.84)	\$ (1.44)
	=====	=====	=====	=====
Weighted-average shares used in computing basic and diluted net loss per common share	15,223	6,232	15,220	6,222
	=====	=====	=====	=====

THRESHOLD PHARMACEUTICALS, INC  
(A Development Stage Enterprise)  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands)

	June 30, 2009 ----- (Unaudited)	Dec. 31, 2008 ----- (1)
<b>Assets</b>		
Cash, cash equivalents and marketable securities	\$ 12,783	\$ 22,337
Prepaid expenses and other current assets	386	518
Property and equipment, net	782	1,168
Other assets	523	508
	-----	-----
Total assets	\$ 14,474	\$ 24,531
	=====	=====
<b>Liabilities and stockholders' equity</b>		
Total current liabilities	\$ 2,103	\$ 2,563
Long-term liabilities (2)	3,141	554
Stockholders' equity	9,230	21,414
	-----	-----
Total liabilities and stockholders' equity	\$ 14,474	\$ 24,531
	=====	=====

(1) Derived from audited financial statements

(2) Includes as of June 30, 2009, \$2.6 million for warrant liability as result of the Company's adoption on January 1, 2009, of EITF 07-5 "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock."

This news release was distributed by GlobeNewswire, [www.globenewswire.com](http://www.globenewswire.com)

SOURCE: Threshold Pharmaceuticals, Inc.

Threshold Pharmaceuticals, Inc.  
Denise T. Powell, Sr. Director, Corporate Communications  
650-474-8206  
[dpowell@thresholdpharm.com](mailto:dpowell@thresholdpharm.com)

(C) Copyright 2009 GlobeNewswire, Inc. All rights reserved.

News Provided by COMTEX