

STATEMENTS OF OPERATIONS

Years Ended December 31, 2003, 2002, and 2001 and Cumulative from Inception
(April 16, 1996) to December 31, 2003

	<i>Years Ended December 31,</i>			<i>Cumulative From Inception (April 16, 1996) to December 31,</i>
	<i>2003</i>	<i>2002</i>	<i>2001</i>	<i>2003</i>
Revenue – contract revenue	\$ –	\$ 33,333	\$ 16,667	\$ 1,009,001
Expenses:				
Selling, general and administrative	1,633,473	1,496,290	1,496,932	6,454,841
Research and development	1,647,762	1,871,691	1,827,074	7,949,082
Stock-based compensation	414,250	503,875	649,089	2,053,264
Depreciation and amortization	562,377	562,579	254,937	1,773,159
Total expenses	<u>4,257,862</u>	<u>4,434,435</u>	<u>4,228,032</u>	<u>18,230,346</u>
Operating loss	(4,257,862)	(4,401,102)	(4,211,365)	(17,221,345)
Other Income (Expense):				
Interest income	39,838	132,818	476,508	1,077,619
Interest expense	(194,709)	(219,296)	(44,060)	(465,432)
Other income	61,508	73,169	35,393	170,816
Foreign currency gain (loss)	545	(5,658)	(269,024)	(345,302)
Loss before provision for income taxes	(4,350,680)	(4,420,069)	(4,012,548)	(16,783,644)
Provision for income taxes				7,508
Net loss	<u><u>\$(4,350,680)</u></u>	<u><u>\$(4,420,069)</u></u>	<u><u>\$(4,012,548)</u></u>	<u><u>\$(16,791,152)</u></u>
Net Loss Per Share – Basic and diluted	<u><u>\$ (0.14)</u></u>	<u><u>\$ (0.14)</u></u>	<u><u>\$ (0.13)</u></u>	
Basic and diluted weighted-average common shares outstanding	<u><u>32,172,904</u></u>	<u><u>32,071,329</u></u>	<u><u>31,681,975</u></u>	

The accompanying notes are an integral part of these financial statements.