

Sunesis Pharmaceuticals Announces Preclinical Milestone Payment in BACE Collaboration with Merck

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SOUTH SAN FRANCISCO, Calif., June 12, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Sunesis Pharmaceuticals, Inc. (Nasdaq: SNSS) today announced that it has earned a \$4.25 million payment from Merck & Co., Inc. for meeting certain preclinical milestones in the companies' collaboration to develop oral small molecule inhibitors of beta-amyloid converting enzyme (BACE), which is believed to play a key role in Alzheimer's disease.

"Merck and Sunesis have collaborated for several years to develop oral inhibitors of BACE that are both potent and able to cross the blood-brain barrier," said Merv Turner, Ph.D., Merck Senior Vice President, Worldwide Licensing and External Research. "We are pleased with the progress we've made to date and with Sunesis' contributions to our collaboration."

"Alzheimer's is a debilitating disease that affects an estimated 4.5 million Americans and nearly half of those 85 years of age and older. As the population ages and the number of Alzheimer's sufferers grows, new treatments for this devastating disease are urgently needed," noted Daniel Swisher, Chief Executive Officer and President of Sunesis. "We hope potent oral inhibitors of BACE may prove to be valuable additions to the treatment of Alzheimer's disease. This important milestone for Sunesis results from our strategy of leveraging our discovery research capabilities in partnership with leading pharmaceutical companies to develop new treatments of serious diseases, as we have with Merck for Alzheimer's disease, while focusing our internal small molecule research and development efforts in oncology."

About BACE

The deposition of beta-amyloid peptide in the brain is believed to be a central event in the development of Alzheimer's disease. This process is enabled by a key enzyme that cleaves the amyloid precursor protein into peptide fragments. The fragments aggregate to form insoluble plaques that inhibit the normal functioning of the brain. BACE inhibitors may block this cleavage, thereby preventing the plaque build-up that is a hallmark of Alzheimer's pathogenesis.

About Sunesis Pharmaceuticals

Sunesis is a clinical-stage biopharmaceutical company focused on the discovery, development and commercialization of novel small molecule therapeutics for oncology and other serious diseases. Sunesis has built a broad product candidate portfolio through internal discovery and in-licensing of novel cancer therapeutics. Sunesis is advancing its product candidates through in-house research and development efforts and strategic collaborations with leading pharmaceutical and biopharmaceutical companies. For additional information on Sunesis Pharmaceuticals, please visit <http://www.sunesis.com>.

Safe Harbor Statement

This press release contains forward-looking statements that involve substantial risks and uncertainties. Sunesis may not actually achieve the plans, intentions or expectations contained in such forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations contained in such forward-looking statements. Sunesis does not assume any obligation to update any such forward-looking statements.

SOURCE Sunesis Pharmaceuticals, Inc.

investors, Eric Bjerkholt, CFO of Sunesis Pharmaceuticals, Inc., +1-650-266-3717; or media, Karen L. Bergman or Michelle Corral, both of BCC Partners, +1-650-575-1509 or +1-415-794-8662, for Sunesis Pharmaceuticals, Inc.

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