

Sunesis Pharmaceuticals Receives Preclinical Milestone Payment from SARcode Corporation

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SOUTH SAN FRANCISCO, Calif., June 5, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Sunesis Pharmaceuticals, Inc. (Nasdaq: SNSS) today announced that it has earned a milestone payment from SARcode Corporation for progress made by SARcode in the preclinical development of a novel LFA-1 inhibitor candidate.

The milestone payment, a \$375,000 convertible note, increases Sunesis' potential ownership of SARcode and was triggered by SARcode's selection of an LFA-1 inhibitor development candidate and the commencement of GLP toxicology studies. SARcode is initially seeking to develop the small molecule LFA-1 candidate for T-cell mediated ophthalmic diseases.

"We congratulate SARcode on the rapid progress in this program and look forward to their continued success as this candidate advances toward the clinic," said Daniel N. Swisher, Sunesis' Chief Executive Officer and President. "As we advance our internal clinical-stage oncology pipeline, we are pleased to be able to leverage Sunesis' promising research on small molecule inhibitors for conditions that fall outside of our development focus through out-licensing arrangements such as this one."

In January of this year, Sunesis announced the out-licensing of worldwide rights to patents and know-how related to Sunesis' LFA-1 inhibitor program to SARcode in exchange for license fees, convertible notes, milestone payments as well as potential royalty payments. The next payable milestone, if earned, will be for the filing of an Investigational New Drug application. Sunesis had previously discontinued the LFA-1 inhibitor program, which is outside of the company's strategic focus on discovering and developing novel small molecule therapeutics to treat cancer.

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, SVP, Corporate Development & Finance 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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