

Sunesis Pharmaceuticals Announces the Sale of its LFA-1 Inhibitor Program to SARcode Corporation

March 9, 2009 2:00 PM ET

SOUTH SAN FRANCISCO, Calif., March 9, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- Sunesis Pharmaceuticals, Inc. (Nasdaq: SNSS) today announced that it has sold to SARcode its intellectual property and other assets in its LFA-1 inhibitor program previously licensed to SARcode for a total cash consideration of \$2 million. As a result of this sale, Sunesis and SARcode have terminated an earlier license agreement relating to this program, and Sunesis will forego future potential milestone payments and royalties under this license agreement. SARcode's lead product candidate, SAR1118, is a small molecule LFA-1 inhibitor being developed for T-cell mediated ophthalmic diseases. Under the original license agreement between the parties, Sunesis granted SARcode an exclusive, worldwide license to patents and know-how related to Sunesis' LFA-1 inhibitor program in exchange for license fees, convertible notes, milestone payments as well as potential royalty payments. Under this license agreement, Sunesis has received milestone payments in the form of cash or convertible notes for the selection of SAR1118 as a development candidate, and for the initiation of a phase 1 trial of SAR1118. Sunesis still holds a series of secured convertible notes issued by SARcode having a total principal value of \$1 million.

"Consistent with our strategy to focus our resources on advancing voreloxin, our novel investigational anti-cancer drug candidate currently being developed for acute myeloid leukemia and ovarian cancer, we made the decision to monetize our milestone and royalty rights in SARcode's LFA-1 program," said Daniel Swisher, Chief Executive Officer of Sunesis. "We have been impressed with the progress of SAR1118 to date and retain an interest in the future success of this program through our convertible notes."

About Sunesis Pharmaceuticals

Sunesis is a biopharmaceutical company focused on the development and commercialization of new oncology therapeutics for the treatment of solid and hematologic cancers. Sunesis has built a highly experienced cancer drug development organization committed to advancing its lead product candidate, voreloxin, in multiple indications to improve the lives of people with cancer. For additional information on Sunesis Pharmaceuticals, please visit <http://www.sunesis.com>.

About SARcode

SARcode is a privately-held biopharmaceutical company focused on the development of best in class small molecule LFA-1 antagonists as novel nonsteroidal immunomodulators/anti-inflammatory agents for the treatment of T-cell mediated inflammatory diseases.

This press release contains forward-looking statements including without limitation statements related to planned additional clinical testing and development efforts for Sunesis' voreloxin and SARcode's SAR1118 programs. Words such as "advancing," "progress," "future success," "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Sunesis' current expectations. Forward-looking statements involve risks and uncertainties. Sunesis' and SARcode's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to Sunesis' need for additional funding, the risk that Sunesis' development activities for voreloxin, including enrollment and reporting of results, or SARcode's development activities for SAR1118 could be halted or significantly delayed for various reasons; the risk that clinical trials may not demonstrate safety or efficacy or lead to regulatory approval; the risk that preliminary data and trends may not be predictive of future data or results; the risk that preclinical studies and clinical trials may not satisfy the requirements of the FDA or other regulatory agencies; and risks related to the conduct of clinical trials and manufacturing. These and other risk factors are discussed under "Risk Factors" and elsewhere in Sunesis' Annual Report on Form 10-K for the year ended December 31, 2007, Sunesis' Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, and other filings with the Securities and Exchange Commission. Sunesis expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

SUNESIS and the logo are trademarks of Sunesis Pharmaceuticals, Inc.

Investor Contact:
Sunesis Pharmaceuticals, Inc.
Eric Bjerkholt

650-266-3717

Media Contact:
Sunesis Pharmaceuticals Inc.
Dan Weinseimer
650-266-3739

SOURCE Sunesis Pharmaceuticals, Inc.

<http://www.sunesis.com>

Copyright (C) 2009 PR Newswire. All rights reserved