



Idera Pharmaceuticals Reports First Quarter 2009 Financial Results

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CAMBRIDGE, Mass.--(BUSINESS WIRE)--May. 6, 2009-- Idera Pharmaceuticals, Inc. (Nasdaq: IDRA) today reported financial results for the first quarter ended March 31, 2009.

"We currently have three novel agonists targeted to Toll-like Receptors in clinical development for different indications, two of which are being advanced and funded by our collaborators," said Sudhir Agrawal, D.Phil., President, Chief Executive Officer and Chief Scientific Officer. "Additionally, we intend to submit an Investigational New Drug application by the end of 2009 for a fourth drug candidate, IMO-3100, which is a novel TLR antagonist for potential application in autoimmune diseases."

"We ended the first quarter with \$50.3 million in cash and investments. With net cash used in operations of \$5.3 million during the first quarter and the subsequent receipt of a \$4.0 million milestone payment, we believe we are in a strong financial position to continue to advance our discovery and development programs," commented Lou Arcudi, Chief Financial Officer.

First Quarter Results

The Company reported a net loss of \$0.3 million, or \$0.01 per diluted share, for the three months ended March 31, 2009, compared to a net loss of \$2.2 million, or \$0.10 per diluted share, for the same period in 2008.

Total revenues for the three months ended March 31, 2009 were \$6.3 million compared to \$4.8 million for the same period in 2008.

Research and development expenses totaled \$4.5 million for each of the three-month periods ended March 31, 2009 and March 31, 2008.

General and administrative expenses for the three months ended March 31, 2009 were \$2.1 million compared to \$2.4 million for the same period in 2008.

As of March 31, 2009, cash, cash equivalents and investments totaled approximately \$50.3 million compared to \$55.6 million at December 31, 2008. Subsequently, the Company received a \$4.0 million milestone payment from Merck KGaA.

Development Program Highlights

IMO-2055

IMO-2055, a synthetic DNA-based Toll-like Receptor 9 (TLR9) agonist, is a lead drug candidate for the treatment of cancer. In December 2007, the Company entered into a worldwide licensing and collaboration agreement with Merck KGaA for the research, development and commercialization of the Company's TLR9 agonists for the treatment of cancer, excluding cancer vaccines. At present, IMO-2055 is being evaluated in two Phase 1b clinical trials:

- IMO-2055 in combination with Tarceva[®] and Avastin[®] in patients with non-small cell lung cancer
- IMO-2055 in combination with Erbitux[®] and Camptosar[®] in patients with colorectal cancer

Under this collaboration, Merck KGaA currently is funding all on-going development activities related to IMO-2055 for cancer.

IMO-2125

IMO-2125, a synthetic DNA-based TLR9 agonist, is a lead drug candidate for the treatment of infectious diseases, with an initial focus on chronic hepatitis C virus (HCV) infection. In preclinical models, IMO-2125 was shown to induce high levels of natural interferon and other antiviral proteins. The Company expects interim results from an ongoing Phase 1 clinical trial of IMO-2125 in patients with chronic HCV infection who have not responded to current standard of care therapy to be available in late 2009. In addition, the Company is preparing to conduct a clinical trial to assess the safety of IMO-2125 in combination with ribavirin in patients with chronic HCV infection who have not received prior treatment, also referred to as treatment-naïve patients.

QAX935 (IMO-2134)

QAX935 (IMO-2134) is a novel TLR9 agonist exclusively licensed by the Company to Novartis International Pharmaceutical, Ltd. In May 2005, the Company and Novartis entered into research collaboration and license agreements involving the application of TLR9 agonists to treating asthma and allergies. In September 2008, Idera achieved a milestone under this collaboration upon the initiation of a Phase 1 clinical trial of QAX935 by Novartis. Under this collaboration, Novartis is conducting and funding all research activities.

IMO-3100

IMO-3100 is a dual TLR7 and TLR9 antagonist and the Company's lead drug candidate for autoimmune and inflammatory diseases. The Company has identified DNA-based compounds that act as antagonists of TLR7 and TLR9 and has evaluated these compounds in preclinical mouse models of lupus, rheumatoid arthritis, multiple sclerosis, psoriasis and colitis. The Company is currently conducting preclinical development studies of IMO-3100 in anticipation of submitting an Investigational New Drug (IND) application to the U.S. Food and Drug Administration by the end of 2009.

TLR7, 8 and 9 agonists as vaccine adjuvants

In December 2006, the Company and Merck & Co. Inc. entered into an exclusive license and research collaboration agreement to research, develop and commercialize vaccine products containing the Company's TLR7, 8 and 9 agonists in the fields of oncology, infectious diseases and Alzheimer's disease. In addition, as part of the agreement, the two companies engaged in a two-year research collaboration to generate novel agonists targeting TLR7 and TLR8 incorporating both Merck and Idera chemistry for use in the licensed fields which was renewed for an additional year to December 2009. Under the terms of the agreement, Merck is funding the research and development activities, including the Company's research and development activities under the collaboration.

TLR7 and TLR8 agonists

The Company has designed and created RNA-based compounds that act as agonists of TLR7 and/or TLR8. In preclinical studies, these TLR7 and/or TLR8 agonists induced immune responses that the Company believes may be applicable to the treatment of cancer and infectious diseases.

Scientific Highlights

Data Presentations

During the 2009 Annual Meeting of the American Association for Cancer Research held April 18-22, 2009, Idera scientists and collaborators presented on studies of TLR-targeted compounds:

- Abstract 5067 entitled "Antitumor activity of a novel dual agonist of TLR7 and TLR8 in a preclinical model of 3LL-C75 lung carcinoma in wild type, TLR7^{-/-}, TLR9^{-/-}, and MyD88^{-/-} mice" was presented by Idera scientists.
- Abstract 5068 entitled "Antitumor activity of a dual agonist of TLR7 and TLR8 in combination with bevacizumab in preclinical models of human non-small cell lung and colon cancers" was presented by Idera scientists.
- Abstract 2778 entitled "Toll-like receptor 9 (TLR9) interacts with ErbB receptors at membrane level and a TLR9 agonist synergizes with trastuzumab in trastuzumab-resistant breast cancer xenografts via modulation of ErbB signaling" was presented by researchers from the University of Naples, Italy, in collaboration with Idera scientists.

Intellectual Property

Presently, the Company holds over 260 issued patents and pending patent applications world-wide, which cover novel agonists and antagonists of TLR7, 8 and 9. The following patents were recently issued:

- US 7,517,862, entitled "Modulation of Immunostimulatory Properties of Oligonucleotide-based Compounds by Optimal Presentation of 5' Ends"
- US 7,498,426, entitled "Immunostimulatory Oligonucleotide Multimers"
- US 7,498,425, entitled "Immunostimulatory Oligonucleotide Multimers"
- US 7,470,674, entitled "Immunostimulatory Properties of Oligonucleotide-based Compounds Comprising Modified Immunostimulatory Dinucleotides"
- IN 228424, entitled "Synergistic Stimulation of the Immune System Using Immunostimulatory Oligonucleotides and/or Immunomer Compositions in Conjunction with Cytokines and/or Chemotherapeutic Agents or Radiation Therapy"
- KR 10-0875003, entitled "Modulation of Oligonucleotide CpG-mediated Immune Stimulation by Positional Modification of Nucleosides"

About Idera Pharmaceuticals, Inc.

Idera Pharmaceuticals develops drug candidates to treat infectious diseases, autoimmune and inflammatory diseases, cancer, and respiratory diseases, and for use as vaccine adjuvants. Our proprietary drug candidates are designed to modulate specific Toll-like Receptors, which are a family of immune system receptors that direct immune system responses. Our pioneering DNA and RNA chemistry expertise enables us to create drug candidates for internal development and generates opportunities for multiple collaborative alliances. For more information, visit www.iderapharma.com.

Idera Forward Looking Statements

This press release contains forward-looking statements concerning Idera Pharmaceuticals, Inc. that involve a number of risks and uncertainties. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "estimates," "intends," "should," "could," "will," "may," and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause Idera's actual results to

differ materially from those indicated by such forward-looking statements, including whether products based on Idera's technology will advance into or through the clinical trial process on a timely basis or at all and receive approval from the United States Food and Drug Administration or equivalent foreign regulatory agencies; whether, if the Company's products receive approval, they will be successfully distributed and marketed; whether the Company's collaborations with Novartis, Merck & Co. Inc., and Merck KGaA will be successful; whether the patents and patent applications owned or licensed by the Company will protect the Company's technology and prevent others from infringing it; whether Idera's cash resources will be sufficient to fund the Company's operations; and such other important factors as are set forth under the caption "Risk Factors" in Idera's Quarterly Report on Form 10-Q for the three months ended March 31, 2009, which important factors are incorporated herein by reference. Idera disclaims any intention or obligation to update any forward-looking statements.

Tarceva is a registered trademark of OSI Pharmaceuticals, Inc. Avastin is a registered trademark of Genentech, Inc. Erbitux is a registered trademark of ImClone Systems Incorporated. Camptosar is a registered trademark of Pfizer.

Idera Pharmaceuticals, Inc.
Condensed Statements of Operations
(In thousands, except per share data)

	Three Months Ended	
	March 31,	
	2009	2008
Alliance Revenue	\$ 6,303	\$ 4,783
Operating Expenses		
Research & Development	4,478	4,534
General & Administrative	2,148	2,427
Total Operating Expenses	<u>6,626</u>	<u>6,961</u>
Loss from Operations	(323)	(2,178)
Other, net	71	57
Loss before Income Taxes	(252)	(2,121)
Income Tax Provision	-	(50)
Net Loss	<u>\$ (252)</u>	<u>\$ (2,171)</u>
Basic and Diluted Net Loss Per Common Share	<u>\$ (0.01)</u>	<u>\$ (0.10)</u>
Shares Used In Computing Basic and Diluted Net Loss Per Common Share	<u>23,379</u>	<u>21,899</u>

Idera Pharmaceuticals, Inc.
Condensed Balance Sheet Data
(In thousands)

	March 31, December 31,	
	2009	2008
Cash, Cash Equivalents And Investments	\$ 50,326	\$ 55,606
Other Assets	4,082	3,794
Total Assets	<u>\$ 54,408</u>	<u>\$ 59,400</u>
Accounts Payable and Accrued Liabilities	\$ 2,879	\$ 2,773
Deferred Revenue	28,804	34,460
Stockholders' Equity	<u>22,725</u>	<u>22,167</u>
Total Liabilities & Stockholders' Equity	<u>\$ 54,408</u>	<u>\$ 59,400</u>

Source: Idera Pharmaceuticals, Inc.

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