



Pain Therapeutics, Inc.

## Pain Therapeutics Announces Second Quarter 2008 Financial Results

### \$30 Million Stock Buyback Completed

SAN MATEO, Calif., Jul 30, 2008 (PrimeNewswire via COMTEX News Network) -- Pain Therapeutics, Inc. (Nasdaq:PTIE) today reported financial results for the three and six months ended June 30, 2008. Net loss for the quarter ended June 30, 2008 was \$1.0 million, or \$0.02 per diluted share, compared to net income of \$3.4 million, or \$0.07 per diluted share, in the second quarter of 2007. Net income for the six months ended June 30, 2008 was \$1.5 million, or \$0.04 per diluted share, compared to \$16.0 million, or \$0.35 per diluted share, for the same period in 2007. Cash, cash equivalents and marketable securities were \$177.1 million at June 30, 2008.

"In the first half of 2008, we made important progress to advance the profile of our drug candidates," said Remi Barbier, Pain Therapeutics' president and chief executive officer. "The NDA for Remoxy(tm), submitted in June, is a groundbreaking step towards the goal of launching the world's first abuse-resistant, long-acting formulation of oxycodone. In addition, we remain on-track with our goal of initiating the clinical development of another abuse-resistant opioid. Our confidence level for these abuse-resistant drug candidates, all partnered with King Pharmaceuticals, Inc., remains high."

"We also continue to advance our own proprietary drug candidates targeting important disease areas, and in June we announced promising early clinical results for a novel treatment for patients with advanced melanoma. These data were recently highlighted in two presentations at the annual scientific meeting of the Society for Nuclear Medicine, the world's most prestigious meeting focused on nuclear medicine."

"Our broad development investment is supported by a pristine balance sheet and tight fiscal discipline, enabling us to end the quarter with \$177.1 million in cash and investments after the effects of completing a \$30.0 million buyback of our stock," continued Remi Barbier.

### Q2 2008 Financial Highlights

- \* In June 2008, we submitted to the U.S. Food and Drug Administration (FDA) a New Drug Application (NDA) for Remoxy. We believe the FDA will inform us if this NDA is accepted for regulatory review by September. At such time we also expect to learn if the NDA was granted priority review. Acceptance of the Remoxy NDA by the FDA will trigger a \$15.0 million cash milestone payment from King Pharmaceuticals, Inc. (King), our commercial partner for Remoxy.
- \* We met our goal to purchase \$30.0 million of our stock in the open market under a previously announced stock buyback plan.
- \* Collaboration revenue of \$7.0 million and \$18.0 million in the three and six months ended June 30, 2008, respectively reflects reimbursement of our development expenses under our strategic alliance with King.
- \* Research and development expenses were \$11.2 million and \$23.7 million in the three and six months ended June 30, 2008, respectively. Most research and development expenses were attributed to the development activities for our abuse-resistant drug candidates, including expenses related to filing the NDA for Remoxy. Research and development expenses included non-cash stock related compensation costs of \$1.0 million and \$2.0 million in the three and six months ended June 30, 2008, respectively.

\* General and administrative expenses were \$1.9 million and \$3.7 million in the three and six months ended June 30, 2008, respectively. General and administrative expenses included non-cash stock related compensation costs of \$0.7 million and \$1.2 million in the three and six months ended June 30, 2008, respectively.

## 2008 Financial Guidance - No Changes

- \* We continue to anticipate being cash flow positive in 2008.
- \* We anticipate receiving \$20.0 million of cash milestone payments in 2008 as follows:
  - \$15.0 million cash milestone payment from King upon acceptance of the NDA for Remoxy by the FDA.
  - \$5.0 million cash milestone payment from King upon acceptance of an Investigational New Drug (IND) application for a new abuse-resistant opioid.
- \* We anticipate spending up to \$15.0 million developing biopharmaceutical products for metastatic melanoma, hemophilia and other important disease areas. Pain Therapeutics holds all commercial rights to these biopharmaceutical drug candidates.

## About Pain Therapeutics, Inc.

Pain Therapeutics is a biopharmaceutical company that develops novel drugs. In June 2008, we submitted a NDA for Remoxy, an abuse-resistant form of long-acting oxycodone. We also have three drug candidates in clinical programs, including Oxytrex (tm), PTI-202 and a novel radio-labeled monoclonal antibody to treat metastatic melanoma. In addition, we are working on a new treatment for patients with hemophilia. The FDA has not yet evaluated the merits, safety or efficacy of our drug candidates. For more information, please visit [www.paintrials.com](http://www.paintrials.com).

Note Regarding Forward-Looking Statements: This press release contains forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995 (the "Act"). Pain Therapeutics disclaims any intent or obligation to update these forward-looking statements, and claims the protection of the Safe Harbor for forward-looking statements contained in the Act. Examples of such statements include, but are not limited to, any statements relating to the potential acceptance by the FDA of the Company's NDA for Remoxy and the potential acceptance by the FDA of an IND for a new abuse-resistant opioid; expected milestone payments from King in 2008; the Company's anticipation that it will be cash flow positive in 2008; and anticipated spending on biopharmaceutical development in 2008. Such statements are based on management's current expectations, but actual results may differ materially due to various factors. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to difficulties or delays in development and testing of the Company's drug candidates, unexpected adverse side effects or inadequate therapeutic efficacy of the Company's drug candidates (including the risk that current and past results of clinical trials are not necessarily indicative of future results of clinical trials), the uncertainty of patent protection for the Company's intellectual property or trade secrets, unanticipated research and development and other costs and the timing and receipt of funds from the Company's commercial partner. For further information regarding these and other risks related to the Company's business, investors should consult the Company's filings with the Securities and Exchange Commission.

PAIN THERAPEUTICS, INC.  
CONDENSED STATEMENTS OF OPERATIONS  
(in thousands, except per share amounts)  
(Unaudited)

Three Months Ended	Six Months Ended
June 30,	June 30,

	2008	2007	2008	2007
Revenue				
Collaboration revenue	\$ 6,960	\$ 7,515	\$ 18,013	\$ 23,018
Program fee revenue	3,587	6,550	7,173	13,100
Total revenue	10,547	14,065	25,186	36,118
Operating expenses				
Research and development	11,215	11,044	23,699	20,903
General and administrative	1,896	2,102	3,716	3,940
Total operating expenses	13,111	13,146	27,415	24,843
Operating income (loss)	(2,564)	919	(2,229)	11,275
Interest income	1,539	2,446	3,774	4,726
Net income (loss)	\$ (1,025)	\$ 3,365	\$ 1,545	\$ 16,001
Net income (loss) per share				
Basic	\$ (0.02)	\$ 0.08	\$ 0.04	\$ 0.36
Diluted	\$ (0.02)	\$ 0.07	\$ 0.04	\$ 0.35
Weighted-average shares used in computing net income (loss) per share				
Basic	41,579	44,025	42,714	44,183
Diluted	41,579	45,180	43,974	45,303

PAIN THERAPEUTICS, INC  
CONDENSED BALANCE SHEETS

	June 30, 2008	December 31, 2007(1)
	(Unaudited)	
Assets		
Current assets		
Cash, cash equivalents and marketable securities	\$ 177,073	\$ 205,071
Other current assets	32	303
Total current assets	177,105	205,374
Non-current assets		
Property and equipment, net	1,373	1,607
Other assets	644	644
Total assets	\$ 179,122	\$ 207,625
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 3,206	\$ 3,624
Accrued development expense	822	817
Deferred program fee revenue - current portion	14,348	14,348
Other accrued liabilities	1,478	1,868

Total current liabilities	19,854	20,657
Non-current liabilities		
Deferred program fee revenue - non-current portion	75,328	82,501
Other liabilities	553	553
Total liabilities	95,735	103,711
Stockholders' equity		
Common stock	41	44
Additional paid-in-capital	210,785	221,415
Accumulated other comprehensive income	465	584
Accumulated deficit	(127,904)	(118,129)
Total stockholders' equity	83,387	103,914
Total liabilities and stockholders' equity	\$ 179,122	\$ 207,625

(1) Derived from audited financial statements

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SOURCE: Pain Therapeutics, Inc.

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