

**AVIGEN, INC.**

**SELECTED FINANCIAL INFORMATION**

**STATEMENTS OF OPERATIONS**

(In thousands, except shares and per share information)

	<u>Three months ended</u>		<u>Year ended</u>	
	<u>December 31</u>	<u>December 31</u>	<u>December 31</u>	<u>December 31</u>
	2005	2004	2005	2004
	(unaudited)		(unaudited)	
Revenue	\$ 12,002	\$ 35	\$ 12,026	\$ 2,195
Operating expenses				
Research and development	2,870	4,314	13,775	19,344
General and administrative	2,508	1,694	8,264	8,367
Impairment loss related to long-lived assets	-	-	6,130	-
Total operating expenses	5,378	6,008	28,169	27,711
Income (loss) from operations	6,624	(5,973)	(16,143)	(25,516)
Net interest income and other expense	482	314	1,447	1,593
Net income (loss)	<u>\$ 7,106</u>	<u>\$ (5,659)</u>	<u>\$ (14,696)</u>	<u>\$ (23,923)</u>
Earnings (loss) per common share:				
Basic	<u>\$ 0.34</u>	<u>\$ (0.28)</u>	<u>\$ (0.71)</u>	<u>\$ (1.17)</u>
Diluted	<u>\$ 0.34</u>	<u>\$ (0.28)</u>	<u>\$ (0.71)</u>	<u>\$ (1.17)</u>
Weighted average shares used to compute earnings (loss) per common share:				
Basic	<u>20,907,273</u>	<u>20,362,155</u>	<u>20,624,229</u>	<u>20,362,155</u>
Diluted	<u>20,933,228</u>	<u>20,362,155</u>	<u>20,624,229</u>	<u>20,362,155</u>

**CONDENSED BALANCE SHEETS**

(In thousands)

	<u>December 31</u>	<u>December 31</u>
	2005	2004
	(unaudited)	
Cash, cash equivalents and available-for-sale securities	\$ 59,960	\$ 64,290
Accrued interest and other current assets	1,207	1,151
Total current assets	61,167	65,441
Restricted investments	10,428	11,928
Property and equipment, net	3,929	12,497
Deposits and other assets	740	641
Total assets	<u>\$ 76,264</u>	<u>\$ 90,507</u>
Current liabilities and deferred revenue	1,518	1,568
Long-term obligations	9,282	9,064
Deferred revenue - non-current	-	-
Stockholders' equity	65,464	79,875
Total liabilities and stockholders' equity	<u>\$ 76,264</u>	<u>\$ 90,507</u>

(1) Derived from audited financial statements.