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First Quarter 2009 Financial Results Reported

GAITHERSBURG, Md., May 14, 2009 (BUSINESS WIRE) -- Ore Pharmaceuticals Inc. (NASDAQ:ORXE) today reported financial results for the first quarter ended March 31, 2009.

Liquidity

As of March 31, 2009, the Company had \$7.1 million in cash and cash equivalents, compared to \$10.8 million as of December 31, 2008. The cash usage for the first quarter of 2009 was \$3.7 million and, as expected, was slightly higher than that of the fourth quarter of 2008. The cash usage for the second quarter of 2009 is currently expected to be similar to that of the first quarter (not taking into account the collection of the Ocimum \$3.0 million promissory note that is due June 2009). The Company also expects its cash usage for the second half of 2009 to be significantly lower than the first half.

Results of Operations

No revenue was recorded for the first quarter of 2009.

When compared to the prior year, first quarter 2009 Research and Development expenses decreased \$1.9 million primarily as a result of lower employee and facility-related costs due to significant workforce reductions.

Compared to the prior year, Selling, General and Administrative expenses decreased \$2.9 million primarily as a result of lower employee and facility-related costs due to significant workforce reductions, reduced professional fees relating to strategic planning and the absence of \$0.5 million in accelerated lease costs and \$0.4 million of expense related to the purchase of shares from a former director that occurred in 2008.

For the first quarter of 2009, the Company's net loss was \$3.1 million, or \$0.57 per share, compared to a net loss of \$6.9 million, or \$1.12 per share, for the first quarter of 2008.

Ore Pharmaceuticals Overview

Ore Pharmaceuticals is a drug asset development company with a focus on acquiring and developing clinical-stage drug candidates that have already undergone substantial safety testing in humans. The Company currently has three compounds in its development pipeline: ORE1001

(formerly known as GL1001), our lead compound, ORE5002 (tiapamil) and ORE5007 (romazarit). New therapeutic uses for each of these compounds were identified through the Company's now discontinued drug repositioning program. In the fourth quarter of 2008, the Company completed a multiple ascending dose human tolerability Phase I clinical trial of ORE1001 under an Investigational New Drug Application ("IND") filed with the FDA and expects to advance the compound into additional clinical trials as a potential treatment for inflammatory bowel disease.

Safe Harbor Statement

This press release contains "forward-looking statements," as such term is used in the Securities Exchange Act of 1934, as amended. Such forward-looking statements include our ability to identify strategies for making its businesses successful and the impact of such strategies on our business and financial performance and on shareholder value. Forward-looking statements typically include the words "expect," "anticipate," "believe," "estimate," "intend," "may," "will," and similar expressions as they relate to Ore Pharmaceuticals or its management. Forward-looking statements are based on our current expectations and assumptions, which are subject to risks and uncertainties. They are not guarantees of our future performance or results. Our actual performance and results could differ materially from what we project in forward-looking statements for a variety of reasons and circumstances, including particularly risks and uncertainties that may affect the Company's operations, financial condition and financial results and that are discussed in detail in the our Annual Report on Form 10-K and our other subsequent filings with the Securities and Exchange Commission. They include, but are not limited to: whether the compounds we develop will be commercially viable; whether we will be able to begin to generate sufficient new revenue from licensing or other transactions early enough to support our operations and continuing compound development; whether there will be valid claims for indemnification from the buyers of our Genomics Assets; whether there will be claims from the landlords of the leased properties we have assigned to the buyer of our Genomics Assets, the buyer of our Preclinical Division or the assignee of our Cambridge facility lease that we would be required to pay as guarantors of such leases; whether we will be able to collect amounts due under the terms of promissory notes from the buyers of our Genomics Assets and molecular diagnostic business; whether we will be able to manage our existing cash adequately and whether we will have access to financing on sufficiently favorable terms to maintain our businesses and effect our strategies; whether we will be able to maintain our NASDAQ listing; whether we will be able to retain qualified personnel for our drug asset development business; and potential negative effects on our operations and financial results from workforce reductions and the transformation of our business. Ore Pharmaceuticals Inc. undertakes no obligation to update or revise any forward-

looking statements, whether as a result of new information, future events or otherwise.

Ore Pharmaceuticals Inc.
Statements of Operations
(in thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2009	2008
Services revenue	\$ -	\$ 750
Expenses:		
Research and development	941	2,842
Selling, general and administrative	2,289	5,164
Total expenses	<u>3,230</u>	<u>8,006</u>
Loss from operations	(3,230)	(7,256)
Interest (income), net	(86)	(316)
Net loss	<u>\$ (3,144)</u>	<u>\$ (6,940)</u>
Basic and diluted net loss per share	<u>\$ (0.57)</u>	<u>\$ (1.12)</u>
Shares used in computing basic and diluted net loss per share	<u>5,474</u>	<u>6,206</u>

Ore Pharmaceuticals Inc.
Consolidated Condensed Balance Sheets
(in thousands)

	March 31,	December 31,
	2009	2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,077	\$ 10,784
Prepaid expenses	333	200
Notes receivable, net	3,315	3,252
Other current assets	67	70
Total current assets	<u>10,792</u>	<u>14,306</u>
Property and equipment, net	427	483
Other intangibles, net	575	573
Notes receivable, net	348	338
Total assets	<u>\$ 12,142</u>	<u>\$ 15,700</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable	\$ 401	\$ 623
Accrued compensation and employee benefits	1,201	1,185
Other accrued expenses	1,045	1,267
Current portion of long-term debt	463	477
Total liabilities	<u>3,110</u>	<u>3,552</u>
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, \$.01 par value; 10,000,000 shares authorized; and no shares issued and outstanding as of March 31, 2009 and		

December 31, 2008	-	-
Common stock, \$.01 par value; 60,000,000 shares authorized; 5,483,519 shares issued and outstanding as of March 31, 2009 and December 31, 2008	55	55
Additional paid-in capital	384,950	384,922
Accumulated other comprehensive loss	-	-
Accumulated deficit	(375,973)	(372,829)
Total stockholders' equity	<u>9,032</u>	<u>12,148</u>
Total liabilities and stockholders' equity	<u>\$ 12,142</u>	<u>\$ 15,700</u>

SOURCE: Ore Pharmaceuticals Inc.

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