

The scientific community considers RNA interference (RNAi) the breakthrough biological discovery of the decade with the potential to change how diseases are treated. Sirna Therapeutics, Inc. is leading the industry in developing a new class of drugs based on RNAi — drugs that we believe will significantly improve human health.

With our unmatched chemistry and biology expertise, seasoned leadership and broad therapeutic pipeline, Sirna is demonstrating that short interfering RNA (siRNA) can be chemically optimized and efficiently delivered to create therapeutically relevant compounds with drug-like properties and biological effect in humans.

In short, Sirna Therapeutics is at the forefront of the effort to create RNAi-based therapies and leverage the vast potential of this technology to ultimately treat patients in need.

**Market Profile**

**09-29-2006**

<b>NASDAQ Price</b>	<b>RNAI \$5.57</b>
<b>Shares Outstanding</b>	<b>72.88M</b>
<b>Market Capitalization</b>	<b>\$406.0M</b>
<b>Average 3 Mo. Volume</b>	<b>374,579</b>

**Second Quarter Highlights**

**Pipeline Programs**

- > Sirna reported the final eight-week and twelve-week results from its recently completed Phase 1 trial on Sirna-027, our RNAi-based drug for AMD which is partnered with Allergan, Inc. Single ascending doses of Sirna-027 were safe and well tolerated, and all 26 patients (100%) showed visual acuity stabilization eight weeks after a single injection. In addition, at the same time point, five of 26 patients (19%) experienced clinically significant improvement in visual acuity, indicated by an improvement of at least three lines on an eye chart. Twelve weeks after a single injection, 24 of 26 patients (92%) showed visual acuity stabilization, with four of 26 patients (15%) experiencing clinically significant improvement in visual acuity. Together with Allergan, we expect to initiate a Phase 2 study in the second half of 2006.
- > Sirna is completing the enabling toxicology studies on Sirna-034, our RNAi-based drug for hepatitis C, and plans to file an IND with the FDA in the second half of 2006. The Company has started the manufacturing of Sirna-034 for the Phase 1 clinical trial.
- > As part of our exclusive, multi-year collaboration with GlaxoSmithKline (GSK) in respiratory diseases, the companies initiated preclinical programs to develop RNAi-based drugs for asthma and respiratory syncytial virus (RSV). The companies also plan to pursue RNAi-based therapeutics against chronic obstructive pulmonary disease (COPD) and allergic rhinitis.

**Patents / Intellectual Property**

- > In April, the U.S. Patent and Trademark Office issued Sirna a patent covering any chemically modified siRNA targeting I Kappa B kinase-gamma (IKK-gamma). This is the first siRNA target patent issued in the United States and sets an important precedent for Sirna's entire target patent portfolio. Importantly, the claims of the patent cover any siRNA sequence used against the gene and cover any type of chemical modification or structure.
- > Sirna acquired the exclusive worldwide license to the Zamore, et. al. microRNA patents from the University of Massachusetts Medical School and the non-exclusive worldwide license to the Tuschl, et. al. microRNA patents from New York's Rockefeller University. Both licenses cover microRNA technology (commonly known as antagomirs) crucial to the modulation of gene expression. The combination of these licenses, together with Sirna's existing microRNA patent portfolio, gives Sirna a leading IP position in microRNAs.

**Pipeline**



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## Senior Management

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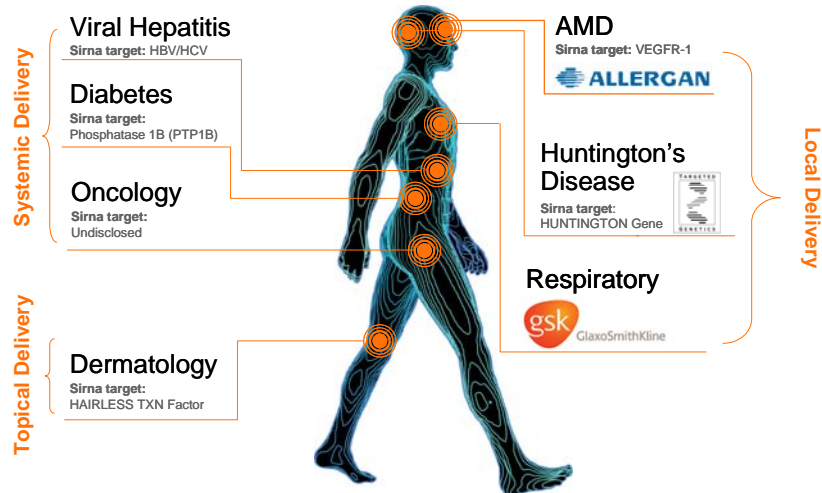
## Patents / Intellectual Property, continued

- > Sirna's successful opposition led to the European Patent Office (EPO) significantly limiting the scope of the claims of the Kreutzer-Limmer patent, which is held by a third-party patent holder. The claims have now been limited to methods of making and using double stranded RNA with structures that we believe are not commercially relevant to the discovery and development of RNAi-based medicines.

## Financing

- > The Company completed a secondary offering of 10.4 million shares at \$5 per share, and received total net proceeds of approximately \$47.4 million. In addition, the Company received \$12.0 million in up-front payments from GlaxoSmithKline as part of its collaboration in respiratory disease.

## Therapeutic Overview



## Intellectual Property

- Dominant intellectual property portfolio in the field of RNAi
- Over 175 issued or pending patents for siRNA technology, chemistry, delivery and manufacturing
- Target patents covering over 250 mammalian gene and viral targets
- Majority of patent estate stems from internal scientific discovery
- Sirna has the necessary layers of patent coverage including technology, targets, chemistry, delivery and manufacturing for siRNA drug discovery, development and commercialization

Statements in this document which are not strictly historical are "forward-looking" statements which should be considered as subject to many risks and uncertainties. For example, most drug candidates do not become approved drugs. The development of Sirna-027 and Sirna-034 as well as Sirna's other programs are still at a relatively early stage. All of these programs, and Sirna's ability to obtain milestone and royalty payments for them, are subject to significant risks and unknowns, are highly contingent upon future successes, and require significant funding. In addition, patent applications may not result in issued patents, and issued patents may not be enforceable or could be invalidated. Other risks and uncertainties include, among others, Sirna's early stage of development, Sirna's history and expectation of losses and need to raise capital, Sirna's need to obtain clinical validation and regulatory approval for Sirna-027, Sirna-034 and Sirna's other product candidates, any of which could have negative results, Sirna's need to engage collaborators, Sirna's need to obtain and protect intellectual property, and the risk of third-party patent infringement claims. These and additional risk factors are identified in Sirna's Securities and Exchange Commission filings, including Forms 10-K and 10-Q and in other SEC filings. Sirna undertakes no obligation to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this document.