



## **Geron Discontinues GRN1005 and Restructures to Focus on Imetelstat Development in Hematologic Malignancies and Solid Tumors with Short Telomeres**

December 3, 2012

*Company to Host Conference Call at 8:30 a.m. ET on Tuesday, December 4*

**MENLO PARK, Calif., December 3, 2012** - Geron Corporation (Nasdaq: GERN) today announced that the company has discontinued development of GRN1005, its peptide-drug conjugate designed to treat cancers in the brain. Going forward, the company will focus on the development of imetelstat, its telomerase inhibitor, in hematologic myeloid malignancies and in patients with solid tumors that have short telomeres. The company also announced a restructuring to reduce its workforce from 107 positions to 64 full-time positions, and to reduce its annual cash operating expenses from approximately \$65 million in 2012 to approximately \$33 million in 2013, which includes non-recurring costs of approximately \$3 million associated with the restructuring and approximately \$3 million for the discontinuation of clinical trials. The company expects to end 2012 with approximately \$90 million in cash and investments.

### *Rationale for Discontinuing GRN1005*

The decision to discontinue development of GRN1005 was made after the company completed a planned interim analysis for futility for GRABM-B, the company's Phase 2 study in patients with brain metastases arising from breast cancer. This analysis showed that there were no confirmed intra-cranial responses, as determined by an Independent Review Facility, among the first 30 evaluable patients in the trial. Data from the analysis will be presented in a poster at the San Antonio Breast Cancer Symposium on December 6. In addition, the company is discontinuing GRABM-L, its Phase 2 study in patients with brain metastases arising from non-small cell lung cancer, because of the inability to successfully enroll the trial. Geron has provided to Angiochem, Inc. notice of termination of both the exclusive license agreement under which Geron received rights to GRN1005 and an associated research collaboration and option agreement.

"We are very disappointed that the results of the GRN1005 program fell short of our criteria for further development," said John A. Scarlett, M.D., Geron's President and Chief Executive Officer. "Our immediate focus now is on the use of imetelstat in hematologic malignancies and solid tumors with short telomeres, which represent an opportunity for significant therapeutic advances and value creation."

### *Imetelstat Development in Hematologic Malignancies*

Geron will be reporting the results of a phase 2 study of single agent imetelstat in patients with essential thrombocythemia (ET) in an oral presentation at the American Society of Hematology annual meeting on December 9. The ET study was designed to provide proof-of-concept for the potential use of imetelstat as a treatment for various hematologic myeloid malignancies, including myelofibrosis, myelodysplastic syndromes and acute myelogenous leukemias. JAK2 mutations are quantified during the trial to evaluate the effect of the drug on the malignant progenitor cells driving the disease. The top-line results from 14 patients enrolled in this study, all of whom were refractory to or intolerant of conventional therapies, showed a hematologic response rate of 100% (with 93% of patients achieving a complete response) and a molecular response rate of 86% among the seven patients who had a JAK2 mutation. These hematologic and molecular response rates, which exceeded the company's expectations, suggest a selective inhibition of the malignant progenitor cells responsible for the patients' malignancy, and therefore potential disease-modifying activity by imetelstat that may be applicable in other hematologic myeloid malignancies.

Based on these results, Dr. Ayalew Tefferi, M.D., at the Mayo Clinic has begun an investigator-sponsored pilot study to evaluate safety and efficacy of imetelstat in patients with myelofibrosis, a myeloproliferative neoplasm in the same spectrum of diseases as ET. For more information about this study, please refer to <http://clinicaltrials.gov/ct2/show/NCT01731951>. The company is in the initial planning stages of a Geron-sponsored Phase 3-enabling study in myelofibrosis, which will be informed, in part, by data from the Mayo Clinic study. In addition, Geron intends to expand its directed program of investigator-sponsored trials in 2013 to other hematologic myeloid indications, including acute myelogenous leukemias.

### *Imetelstat Development in Solid Tumors Associated with Short Telomeres*

Published non-clinical data have demonstrated that tumor cells with short telomeres are more sensitive to telomerase inhibition with imetelstat than tumor cells with longer telomeres. To evaluate this hypothesis clinically, Geron included a pre-specified sub-group analysis of results by tumor telomere length in its randomized Phase 2 trial of imetelstat in non-small cell lung cancer. In September 2012, Geron reported that an unplanned interim safety and efficacy analysis of the data from that trial suggested a modest but not statistically significant trend in progression-free survival in favor of the imetelstat treatment arm in the overall study population (hazard ratio = 0.78). However, the pre-specified sub-group analysis suggested that imetelstat-treated patients whose tumors had short telomeres at baseline experienced a clinically meaningful, statistically significant increase in progression-free survival compared to patients in the control arm (n = 19; hazard ratio = 0.32; p = 0.042), which was not observed in imetelstat-treated patients whose tumors had medium-to-long telomeres (n = 38; hazard ratio = 0.83; p = 0.62). The company expects to

present the data from the full sub-group analysis at a scientific conference in 2013. The company is working on a refined assay to prospectively measure telomere length in individual patient tumor samples, which would be required if Geron conducts a Phase 3-enabling clinical study of the effect of imetelstat in patients with solid tumors that have short telomeres.

#### ***Management Changes***

In connection with the restructuring, Graham Cooper, the company's Chief Financial Officer, will be leaving the company to pursue other opportunities. Olivia Bloom, currently Vice President of Finance, Chief Accounting Officer and Treasurer, will assume the role of Chief Financial Officer effective December 7.

In addition, Geron has appointed Craig C. Parker, as Senior Vice President, Corporate Development and as a member of the executive management team, effective immediately. Mr. Parker has over 25 years experience in the science and business of the biotechnology industry, and was most recently Senior Vice President, Strategy and Corporate Development at Human Genome Sciences, Inc., until its sale to Glaxo SmithKline in 2012.

"I sincerely thank Graham for his many contributions to Geron's programs, and wish him success in his future ventures," commented Dr. Scarlett. "I look forward to working with Olivia in her new role, for which she is highly qualified based on her many years of outstanding performance at the company, and I welcome Craig, whose extensive experience in business development and strategic analysis will complement our current team."

#### ***Conference Call***

At 8:30 a.m. ET on December 4, 2012, Geron's management will host a conference call to discuss the strategic realignment of the company.

Participants can access the conference call via telephone by dialing 866-713-8565 (U.S.); 617-597-5324 (international). The passcode is 32236649. A live audio-only webcast is also available at <http://edge.media-server.com/m/p/t9tr3r34/lan/en>. The audio webcast of the conference call will be available for replay approximately one hour following the live broadcast for 30 days.

#### ***About Geron***

Geron is a biopharmaceutical company developing first-in-class therapies for cancer, including its telomerase inhibitor, imetelstat. For more information about Geron, visit [www.geron.com](http://www.geron.com).

#### ***Use of Forward-Looking Statements***

Except for the historical information contained herein, this press release contains forward-looking statements made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that statements in this press release regarding Geron's plans or expectations for or of: dates to obtain or present data or other results from any clinical trials; and clinical development plans or success of imetelstat, including without limitation the refinement of an assay; expecting to end 2012 with approximately \$90 million in cash and investments; having annual cash operating expenses of approximately \$65 million in 2012 and approximately \$33 million in 2013; and incurring one-time costs for restructuring of approximately \$3 million and non-recurring costs for the discontinuation of clinical trials of approximately \$3 million constitute forward-looking statements. These statements involve risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties, include, without limitation: (a) regarding dates for the availability of data or other results - delays in enrollment, delays caused by institutional review boards or regulatory agencies, shortage of supply, dependence on clinical trial collaborators and safety issues; (b) regarding the development of imetelstat - those risks and uncertainties inherent in the development of potential therapeutic products, including without limitation, successful clinical trial results and the protection of Geron's intellectual property rights; and (c) regarding financial expectations - if any of (a) above, unanticipated expenses or charges may occur as a result of the resizing, or litigation were to occur. Additional information and factors that could cause actual results to differ materially from those in the forward-looking statements are contained in Geron's periodic reports filed with the Securities and Exchange Commission under the heading "Risk Factors," including Geron's quarterly report on Form 10-Q for the quarter ended September 30, 2012. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made, and the facts and assumptions underlying the forward-looking statements may change. Except as required by law, Geron disclaims any obligation to update these forward-looking statements to reflect future information, events or circumstances.

#### ***CONTACT:***

Anna Krassowska, Ph.D.  
Investor and Media Relations  
650-473-7765  
[investor@geron.com](mailto:investor@geron.com)  
[media@geron.com](mailto:media@geron.com)

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