

Hana Biosciences Reports Fourth Quarter and Year End 2009 Financial Results

SOUTH SAN FRANCISCO, Calif., Mar 25, 2010 (GlobeNewswire via COMTEX News Network) -- Hana Biosciences Inc., (OTCBB:HNAB), a biopharmaceutical company focused on strengthening the foundation of cancer care, today reported financial results for the fourth quarter and year ended December 31, 2009, and provided a corporate update.

"In 2009, we made significant advancements towards our goal of initiating submission of a New Drug Application in mid-2010 seeking accelerated approval of Marqibo(R) in adult acute lymphoblastic leukemia," said Steven R. Deitcher, M.D., President and Chief Executive Officer of Hana Biosciences. "After reporting positive results from our pivotal Phase 2 rALLY trial, we eagerly await our pre-NDA meeting in the second quarter of 2010 and are confident we will be able to submit a New Drug Application for Marqibo in our expected time frame. In addition, we look forward to receiving and presenting the final results of the rALLY study from all 65 evaluable subjects, to provide additional evidence of Marqibo's effectiveness."

Recent Clinical and Corporate Highlights

Marqibo Clinical Development

- In December 2009, Hana presented positive data at the American Society of Hematology Annual Meeting from its pivotal Phase 2 rALLY clinical trial of Marqibo in patients with relapsed/refractory adult Philadelphia chromosome-negative acute lymphoblastic leukemia (ALL). Results from the rALLY trial demonstrated compelling evidence of single-agent, anti-leukemic activity in a relapsed/refractory, heavily pre-treated, adult population of ALL patients with a universal history of prior exposure to the standard formulation of vincristine sulfate. The analysis of the first 56 evaluable subjects demonstrated an overall response in 36 percent of the subjects and a complete response (CR) or CR with incomplete hematologic recovery in 21 percent of the subjects. The estimated median overall survival in complete responders was 7.3 months. Fifty percent of the complete responders were able to receive a potentially life-saving stem cell transplant. Fifty percent of the complete responders had remission durations longer than the duration of their prior remission. In addition, Marqibo was generally well-tolerated with a low incidence of early death.

Corporate Developments

- In March 2009, Hana announced that Craig Carlson joined the Company and will assume the title of Vice President, Chief Financial Officer effective April 1, 2010. Mr. Carlson has held senior leadership and executive financial management positions for the past 25 years, including positions at two publicly-held healthcare companies.
- In December 2009, Hana appointed Howard Furst, M.D., M.B.A., to its Board of Directors. Dr. Furst has over 20 years of experience in the healthcare industry and is currently a partner at Deerfield Management.
- In October 2009, Hana completed a \$12.4 million private placement of units of its securities consisting of shares of common stock and warrants.

Fourth Quarter and Year End 2009 Financial Results

The Company reported a net loss of \$5.0 million, or \$0.07 per share, for the fourth quarter of 2009 compared with a net loss of \$6.1 million, or \$0.19 per share, for the fourth quarter of 2008. The Company reported a net loss of \$24.1 million, or \$0.57 per share, for the year ended December 31, 2009, compared with a net loss of \$22.2 million, or \$0.69 per share, for the year ended December 31, 2008.

Total operating expenses for the quarter ended December 31, 2009, were \$5.4 million compared with \$6.6 million for the quarter ended December 31, 2008. Total operating expenses were \$19.6 million for the year ended December 31, 2009, compared with \$24.2 million for the year ended December 31, 2008.

Research and development (R&D) expenses were \$4.3 million for the quarter ended December 31, 2009, compared with \$5.4 million for the quarter ended December 31, 2008. R&D expenses were \$15.6 million for the year ended December 31, 2009, compared with \$18.4 million for the year ended December 31, 2008.

General and administrative (G&A) expenses were \$1.1 million for the quarter ended December 31, 2009, compared with \$1.2 million for the quarter ended December 31, 2008. G&A expenses were \$4.0 million for the year ended December 31, 2009, compared with \$5.8 million for the year ended December 31, 2008.

As of December 31, 2009, the Company had cash, cash equivalents and available-for-sale securities of \$9.6 million. Cash used in operations was \$5.1 million and \$21.1 million for the quarter and year ended December 31, 2009. The Company currently has resources available to fund operations to mid-2010.

2010 Objectives

- Hold a pre-New Drug Application (NDA) meeting for Marqibo in the second quarter of 2010;
- Provide menadione intellectual property update in mid-2010;
- Present top-line proof-of-concept data of menadione in mid-2010;
- Initiate rolling NDA submission for Marqibo in adult ALL in mid-2010;
- Initiate Marqibo's pediatric program sponsored by the Center for Cancer Research at the National Cancer Institute in the second half of 2010;
- Initiate Phase 2 randomized trial of menadione in the second half of 2010; and
- Present final Marqibo rALLY data from all 65 patients at a medical conference.

About Hana Biosciences, Inc.

Hana Biosciences, Inc. is a biopharmaceutical company dedicated to developing and commercializing new, differentiated cancer therapies designed to improve and enable current standards of care. The company's lead product candidate, Marqibo (R), potentially treats acute lymphoblastic leukemia and lymphomas. The Company has additional pipeline opportunities some of which, like Marqibo, improve delivery and enhance the therapeutic benefits of well characterized, proven chemotherapies and enable high potency dosing without increased toxicity. Additional information on Hana Biosciences can be found at www.hanabiosciences.com.

The Hana Biosciences, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3290>

Forward-Looking Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "expects," "plans," "believes," "intends," and similar words or phrases. These forward-looking statements include without limitation, statements regarding, the timing, progress and anticipated results of regulatory processes relating to Marqibo and Menadione Topical Lotion, including the planned NDA filings and other regulatory submissions relating to Marqibo, and the timing, progress and anticipated results of clinical development activities relating to Marqibo and Menadione Topical Lotion; and statements regarding the potential of Marqibo to replace existing therapies and the expected benefits Marqibo may have for patients with relapsed ALL compared to existing therapies. Such statements involve risks and uncertainties that could cause Hana's actual results to differ materially from the anticipated results and expectations expressed in these forward-looking statements. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Among other things, there can be no assurances that any of Hana's clinical and regulatory development efforts relating to Marqibo will be

successful; that the data of the rALLY trial will be sufficient to support approval by the FDA of an NDA for Marqibo; that Hana will have completed all other activities necessary for the filing of an NDA or other submission with the FDA; and that the results of the rALLY trial and other clinical trials of Marqibo will support Hana's claims or beliefs concerning Marqibo's safety and effectiveness. Additional risks that may affect such forward-looking statements include Hana's need to raise additional capital to fund its product development programs, including Marqibo, to completion, Hana's reliance on third-party researchers to develop its product candidates, and its lack of experience in developing and commercializing pharmaceutical products. Additional risks are described in the company's Annual Report on Form 10-K for the year ended December 31, 2009. Hana assumes no obligation to update these statements, except as required by law.

HANA BIOSCIENCES, INC.

BALANCE SHEETS

	December 31, 2009	December 31, 2008
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ASSETS		
Current assets:		
Cash and cash equivalents	\$9,570,453	\$13,999,080
Available-for-sale securities	68,000	128,000
Prepaid expenses and other current assets	114,067	131,663
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Total current assets	9,752,520	14,258,743
Property and equipment, net	252,455	400,168
Restricted cash	125,000	125,000
Debt issuance costs	1,193,594	1,361,356
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Total assets	\$11,323,569	\$16,145,267
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LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	\$4,027,075	\$4,225,863
Other short-term liabilities	43,586	61,341
Warrant liabilities, short-term	--	1,450,479
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Total current liabilities	4,070,661	5,737,683
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Notes payable, net of discount	22,597,050	16,851,541
Warrant liabilities, long-term	2,145,511	--
Other long-term liabilities	6,540	41,775
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Total long term liabilities	24,749,101	16,893,316
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Total liabilities	28,819,762	22,630,999
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Commitments and contingencies:		
Stockholders' deficit:		

Common stock; \$0.001 par value: 200,000,000 and 100,000,000 shares authorized, 79,649,976 and 32,386,130 shares issued and outstanding at December 31, 2009 and 2008, respectively	79,650	32,386
Additional paid-in capital	117,572,373	104,431,469
Accumulated other comprehensive income (loss)	(24,000)	36,000
Accumulated deficit	(135,124,216)	(110,985,587)
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Total stockholders' deficit	(17,496,193)	(6,485,732)
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Total liabilities and stockholders' deficit	\$11,323,569	\$16,145,267
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HANA BIOSCIENCES, INC.

STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS

	Years Ended	
	December 31,	
	2009	2008
Operating expenses:		
General and administrative	3,986,992	5,800,595
Research and development	15,613,105	18,426,757
Total operating expenses	19,600,097	24,227,352
Loss from operations	(19,600,097)	(24,227,352)
Other income (expense):		
Interest income	12,935	336,968
Interest expense	(3,442,893)	(1,415,913)
Other expense, net	(4,908)	(130,622)
Change in fair market value of warrant liabilities	(1,103,666)	3,265,090
Total other income	(4,538,532)	2,055,523
Net loss	\$(24,138,629)	\$(22,171,829)
Net loss per share, basic and diluted	\$(0.57)	\$(0.69)
Weighted average shares used in computing net loss per share, basic and diluted	42,551,419	32,295,455
Comprehensive loss:		
Net loss	\$(24,138,629)	\$(22,171,829)
Unrealized holdings gains (losses) arising during the period	(60,000)	32,000

Less: reclassification adjustment for losses included in net loss	--	108,000
Comprehensive loss	(24,198,629)	(22,031,829)

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