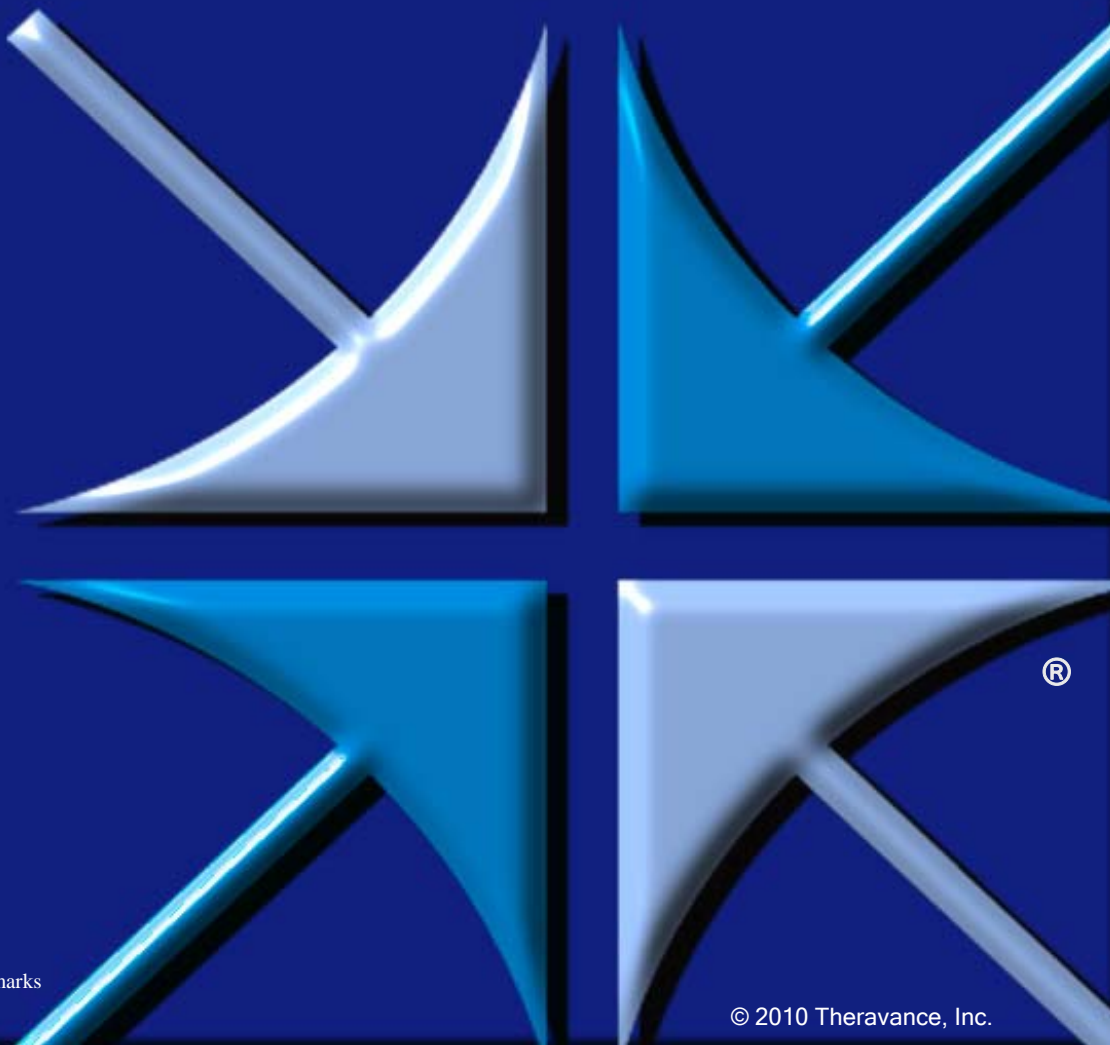


Theravance[®]

Medicines That Make a Difference[®]

Company Overview

July 19, 2010



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Safe Harbor

This presentation contains certain “forward-looking” statements as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, statements relating to goals, plans, objectives and future events. Theravance intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. The words “may”, “will”, “should”, “could”, “would”, “plan”, “anticipate”, “believe”, “estimate”, “intend”, “goal,” “project”, “potential”, “expect”, “consistent”, “supportive”, “target” and “promising” and similar expressions are intended to identify such forward-looking statements. Examples of such statements include statements relating to the goals and timing of clinical studies and product commercialization, statements regarding the potential benefits and mechanisms of action of drug candidates, statements concerning the timing of seeking regulatory approval of our product candidates, statements concerning enabling capabilities of Theravance's approach to drug discovery and its proprietary insights, statements concerning expectations for product candidates through development and commercialization and projections of revenue, expenses and other financial items. These statements are based on the current estimates and assumptions of the management of Theravance as of the date of this presentation and are subject to risks, uncertainties, changes in circumstances, assumptions and other factors that may cause the actual results of Theravance to be materially different from those reflected in its forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, risks related to delays or difficulties in commencing or completing clinical studies, risks related to the potential that results of clinical or preclinical studies indicate product candidates are unsafe or ineffective, our dependence on third parties in the conduct of our clinical studies, delays or failure to achieve regulatory approvals for product candidates, risks of relying on third-party manufacturers for the supply of our product candidates and risks of collaborating with third parties to develop and commercialize products. These and other risks are described in greater detail under the heading "Risk Factors" contained in Theravance's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on May 5, 2010 and the risks discussed in our other period filings with SEC. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Theravance assumes no obligation to update its forward-looking statements.



Theravance – Advancing Key Programs

RELOVAIR™

- In collaboration with GlaxoSmithKline
- Next-generation combination LABA+ICS
- Large global Phase 3 programs in COPD and asthma ongoing

VIBATIV™ (telavancin)

- Discovered and developed by Theravance
- In partnership with Astellas
- Approved in the U.S. and Canada
- Launch progressing in the U.S. market

Diverse Product Pipeline

- Targeting “best-in-class” medicines in respiratory, bacterial infections, gastrointestinal, cognitive disorders & pain
- Recently initiated a Phase 2 proof of concept study of TD-1211 for OIC and a Phase 1 study of TD-9855 for chronic pain



RELOVAIR™ with GSK

Goal: Once-Daily LABA + ICS for COPD & Asthma

- Targeted to be next-generation combination COPD/asthma products
 - ◆ Currently Seretide/Advair® is GSK's largest product – ~£5.0B/~\$7.8B in '09
 - ~50% COPD
 - ~50% Asthma
- Initiated Phase 3 program in asthma in March '10 and in COPD in October '09 with partner, GSK
 - ◆ Positive Phase 2b program results in 3,000 COPD and asthma patients
- Theravance receives royalties of 15% on first \$3B of annual net sales and 5% thereafter for approved LABA and LABA+ICS
- Theravance has no cost obligation through NDA/MAA



RELOVAIR™ with GSK

Phase 3 Exacerbation Study in Asthma Initiated in March '10

- Goal: To evaluate the potential benefit and safety of the combination of the inhaled corticosteroid (ICS), fluticasone furoate (FF), and the long-acting beta agonist (LABA), GW642444 ('444, vilanterol trifenate) vs. single-agent FF.

- Study Design:
 - ◆ Randomized, double-blind, parallel group global study
 - ◆ ~2,000 patients dosed using a unique, single-step activation inhaler
 - ◆ 100 mcg of FF and 25 mcg of vilanterol trifenate vs. 100 mcg FF
 - ◆ Primary endpoint: Time to first severe asthma exacerbation
 - Secondary outcome measures: Rate of severe asthma exacerbations and evening pre-dose FEV1

Overall Phase 3 asthma program includes 8 studies



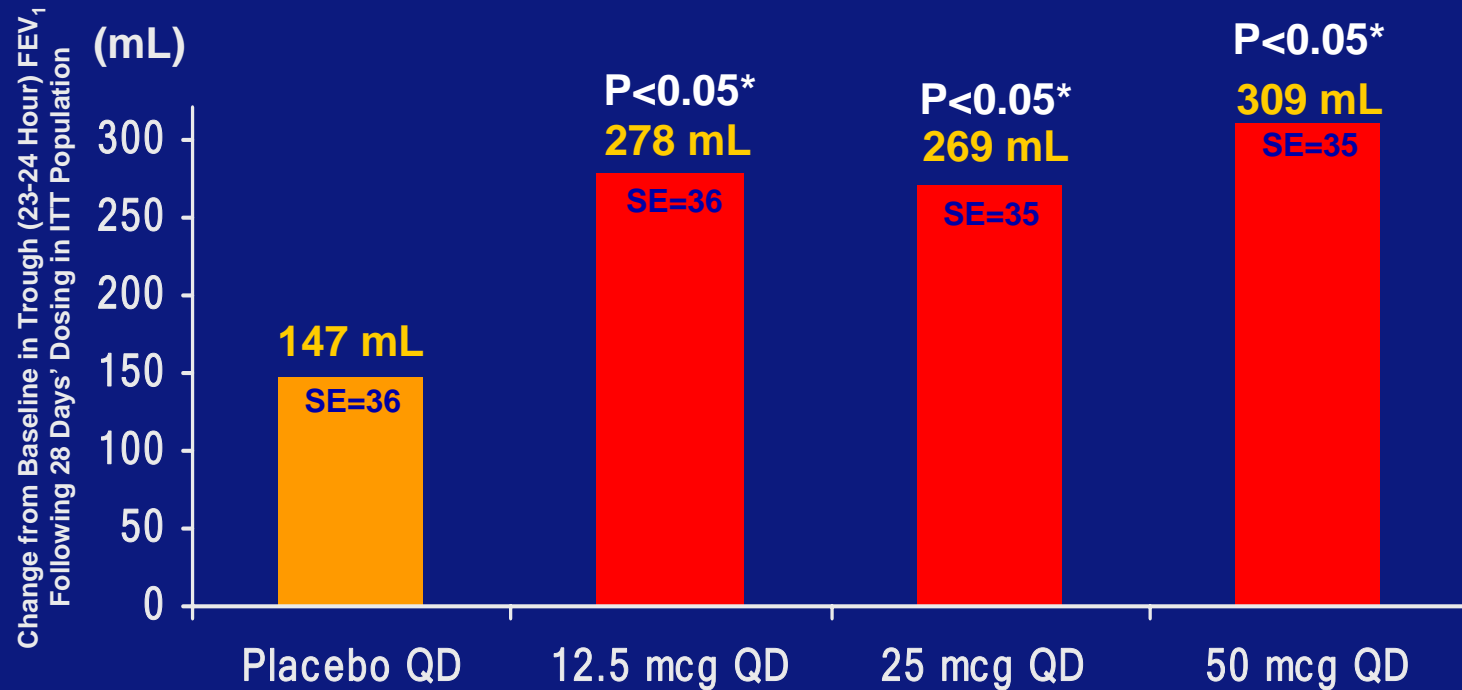
RELOVAIR™ with GSK

Phase 3 Program in Asthma

- Exacerbation study – ~2,000 patients
- 12-month safety study – ~500 patients
 - ◆ In support of the asthma and COPD indications
- Six studies, including three comparator studies
 - ◆ 24-week head-to-head study of RELOVAIR™ vs. Advair®/Seretide
 - ◆ 24-week FF vs. fluticasone propionate (FP) vs. placebo study
 - ◆ 12-week vilanterol trifenate vs. salmeterol vs. placebo study
 - ◆ 12-week low dose combination study
 - ◆ 24-week higher dose combination study vs. components
 - ◆ Hypothalamic-Pituitary-Adrenal (HPA) axis study



'444 Phase 2b 28-Day DPI Asthma Dose-Ranging Study Day 28 Trough FEV₁ Change from Baseline



'444

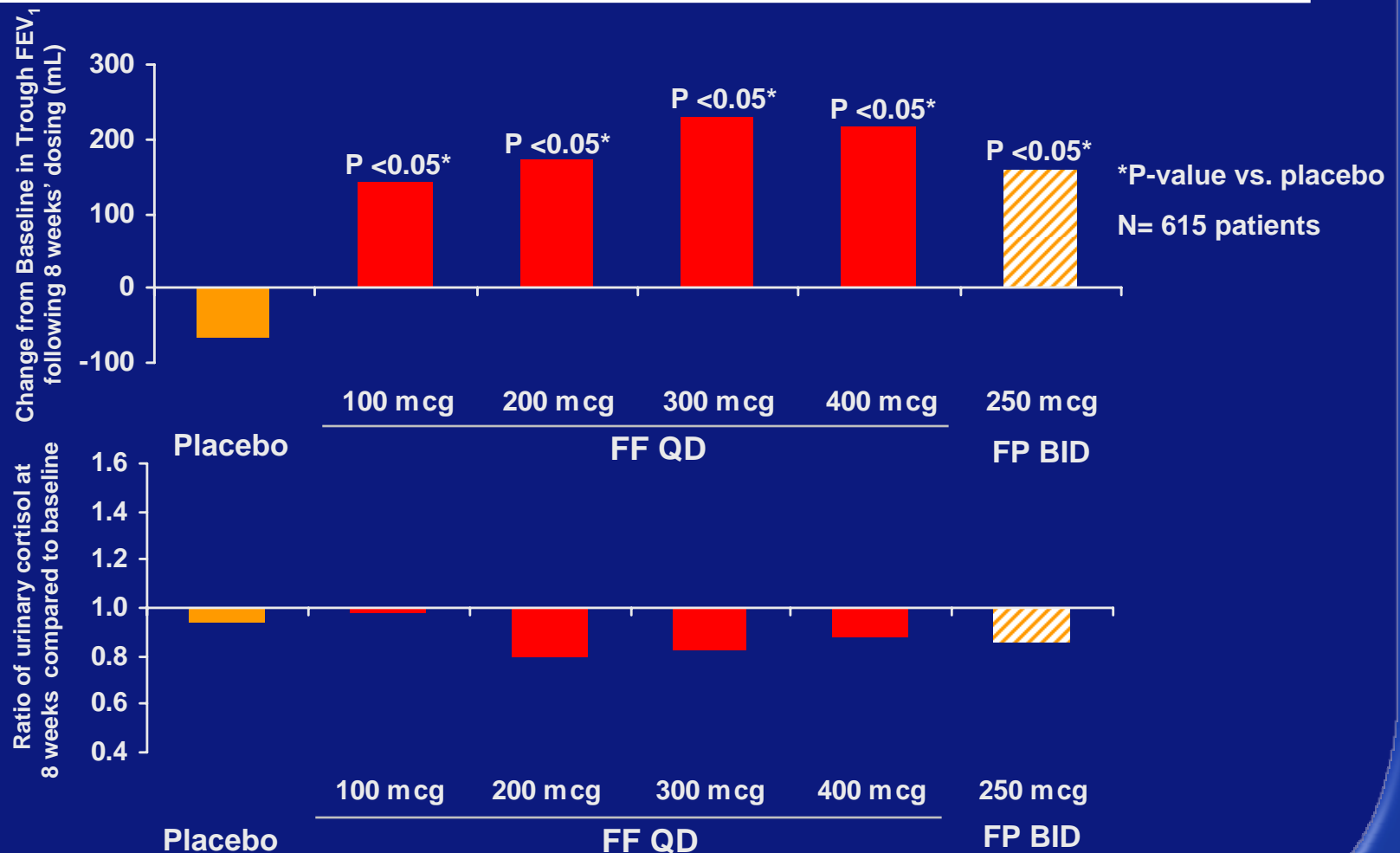
*P-value vs. placebo

'444 was well tolerated
No clinically or statistically significant change in heart rate



Fluticasone Furoate Phase 2b Study Results

Moderate Asthmatic Population



FF was well tolerated; Headache was the most frequent adverse event
FF demonstrated statistically significant once-daily bronchodilation



RELOVAIR™ with GSK

Initiated Phase 3 in COPD in October '09

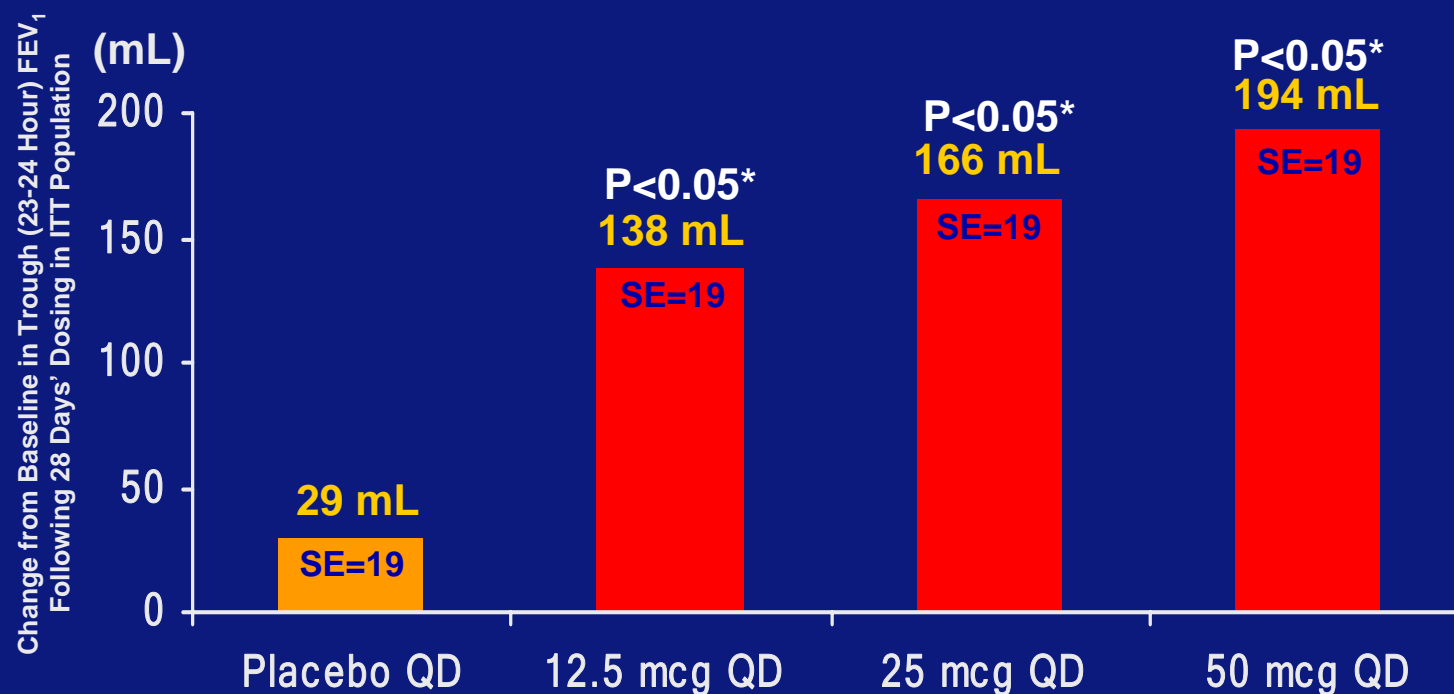
- Goal: To evaluate the investigational once-a-day LABA, GW642444 ('444, vilanterol trifenate), in combination with the once-a-day ICS, fluticasone furoate (FF), for the treatment of COPD.
- Overall COPD program will study more than 6,000 patients dosed in a unique, single-step activation inhaler developed by GSK
 - ◆ Five pivotal Phase 3 studies
 - Two 12-month exacerbation studies, ~3,120 patients
 - Two 6-month efficacy and safety studies, ~2,200 patients
 - A detailed lung function profile study
 - ◆ Doses
 - '444 (25 mcg)
 - FF (50 mcg, 100 mcg, 200 mcg)
 - ◆ Additional studies to assess the potential for superiority of the fixed combination of '444 and FF vs. other treatments for COPD

Enrollment in Phase 3 studies is progressing



'444 Phase 2b 28-Day DPI COPD Dose-Ranging Study

Day 28 Trough FEV₁ Change from Baseline



'444

*P-value vs. placebo

'444 was well tolerated
No clinically or statistically significant change in heart rate



VIBATIV™ (telavancin) Launched for cSSSI in the U.S.



- For the treatment of cSSSI caused by susceptible Gram+ pathogens including *Staphylococcus aureus*/MRSA
 - Dual mechanism of action
 - Bactericidal, once-daily injectable antibiotic approved for adults

- Partnership with Astellas
 - Strong deal milestone economics – \$191M received to date
 - Astellas is responsible for all future commercialization costs
 - Potential milestone payments from Astellas: up to \$30M remaining
 - High-teens to high-twenties royalties...highest tier for sales over \$500M

- For full Prescribing Information, including Boxed Warning and Medication Guide for VIBATIV™, please visit www.VIBATIV.com.



VIBATIV™ (telavancin)

Important Safety Information

Fetal Risk

Women of childbearing potential should have a serum pregnancy test prior to administration of VIBATIV. Avoid use of VIBATIV during pregnancy unless the potential benefit to the patient outweighs the potential risk to the fetus. Adverse developmental outcomes observed in three animal species at clinically relevant doses raise concerns about potential adverse developmental outcomes in humans. If not already pregnant, women of childbearing potential should use effective contraception during VIBATIV treatment.

Nephrotoxicity

New onset or worsening renal impairment occurred in patients who received VIBATIV. Renal adverse events were more likely to occur in patients with baseline comorbidities known to predispose patients to kidney dysfunction and in patients who received concomitant medications known to affect kidney function. Monitor renal function in all patients receiving VIBATIV prior to initiation of treatment, during treatment, and at the end of therapy. If renal function decreases, the benefit of continuing VIBATIV versus discontinuing and initiating therapy with an alternative agent should be assessed. Clinical cure rates in telavancin-treated patients were lower in patients with baseline CrCl ≤ 50 mL/min compared to those with CrCl > 50 mL/min. Consider these data when selecting antibacterial therapy for use in patients with baseline moderate/severe renal impairment.

Geriatric Use

Telavancin is substantially excreted by the kidney, and the risk of adverse reactions may be greater in patients with impaired renal function. Because elderly patients are more likely to have decreased renal function, care should be taken in dose selection in this age group.

Infusion Related Reactions

VIBATIV is a lipoglycopeptide antibacterial agent and should be administered over a period of 60 minutes to reduce the risk of infusion-related reactions. Rapid intravenous infusions of the glycopeptide class of antimicrobial agents can cause "Red-man Syndrome"-like reactions including: flushing of the upper body, urticaria, pruritus, or rash.

Clostridium difficile-Associated Diarrhea

Clostridium difficile-associated diarrhea (CDAD) has been reported with nearly all antibacterial agents and may range in severity from mild diarrhea to fatal colitis. CDAD must be considered in all patients who present with diarrhea following antibiotic use.

Development of Drug Resistant Bacteria

Prescribing VIBATIV in the absence of a proven or strongly suspected bacterial infection is unlikely to provide benefit to the patient and increases the risk of the development of drug-resistant bacteria. As with other antibacterial drugs, use of VIBATIV may result in overgrowth of nonsusceptible organisms, including fungi.

QTc Prolongation

Caution is warranted when prescribing VIBATIV to patients taking drugs known to prolong the QT interval. In a study involving healthy volunteers, VIBATIV prolonged the QTc interval. Use of VIBATIV should be avoided in patients with congenital long QT syndrome, known prolongation of the QTc interval, uncompensated heart failure, or severe left ventricular hypertrophy.

Coagulation Test Interference

VIBATIV does not interfere with coagulation, but does interfere with certain tests used to monitor coagulation such as prothrombin time, international normalized ratio, activated partial thromboplastin time, activated clotting time, and coagulation based factor Xa tests. Blood samples for these coagulation tests should be collected as close as possible prior to a patient's next dose of VIBATIV.

Adverse Reactions

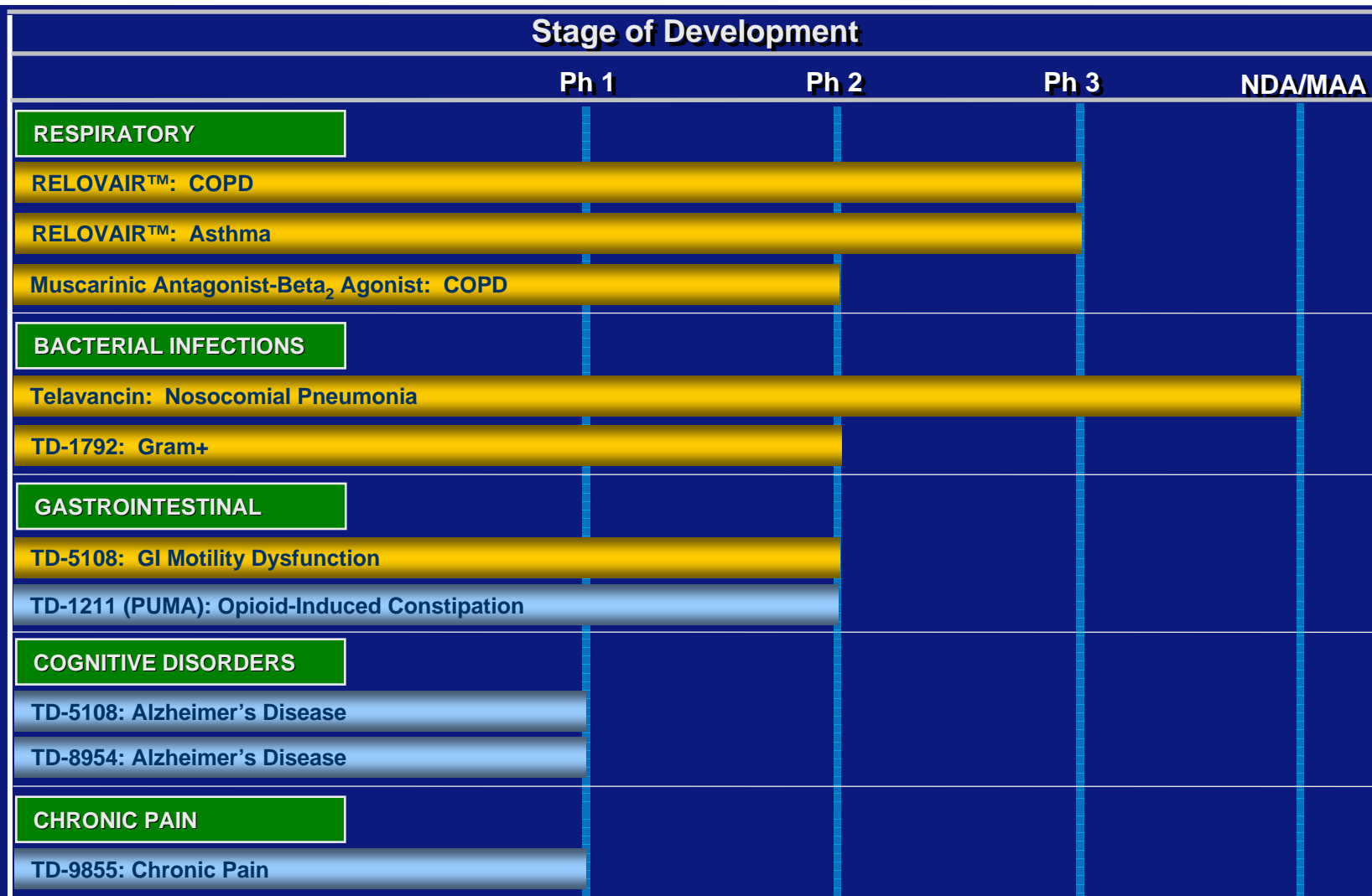
The most common adverse reactions ($\geq 10\%$ of patients treated with VIBATIV) observed in the Phase III cSSSI clinical trials were taste disturbance, nausea, vomiting, and foamy urine.

In the Phase III cSSSI clinical trials, serious adverse events were reported in 7% of patients treated with VIBATIV and most commonly included renal, respiratory, or cardiac events. Serious adverse events were reported in 5% of vancomycin-treated patients, and most commonly included cardiac, respiratory, or infectious events.

For full Prescribing Information, including Boxed Warning and Medication Guide, please visit www.VIBATIV.com.



THRAX: Targeting “Best-in-Class” Medicines



Pre-Proof of Concept

Demonstrated Proof of Concept



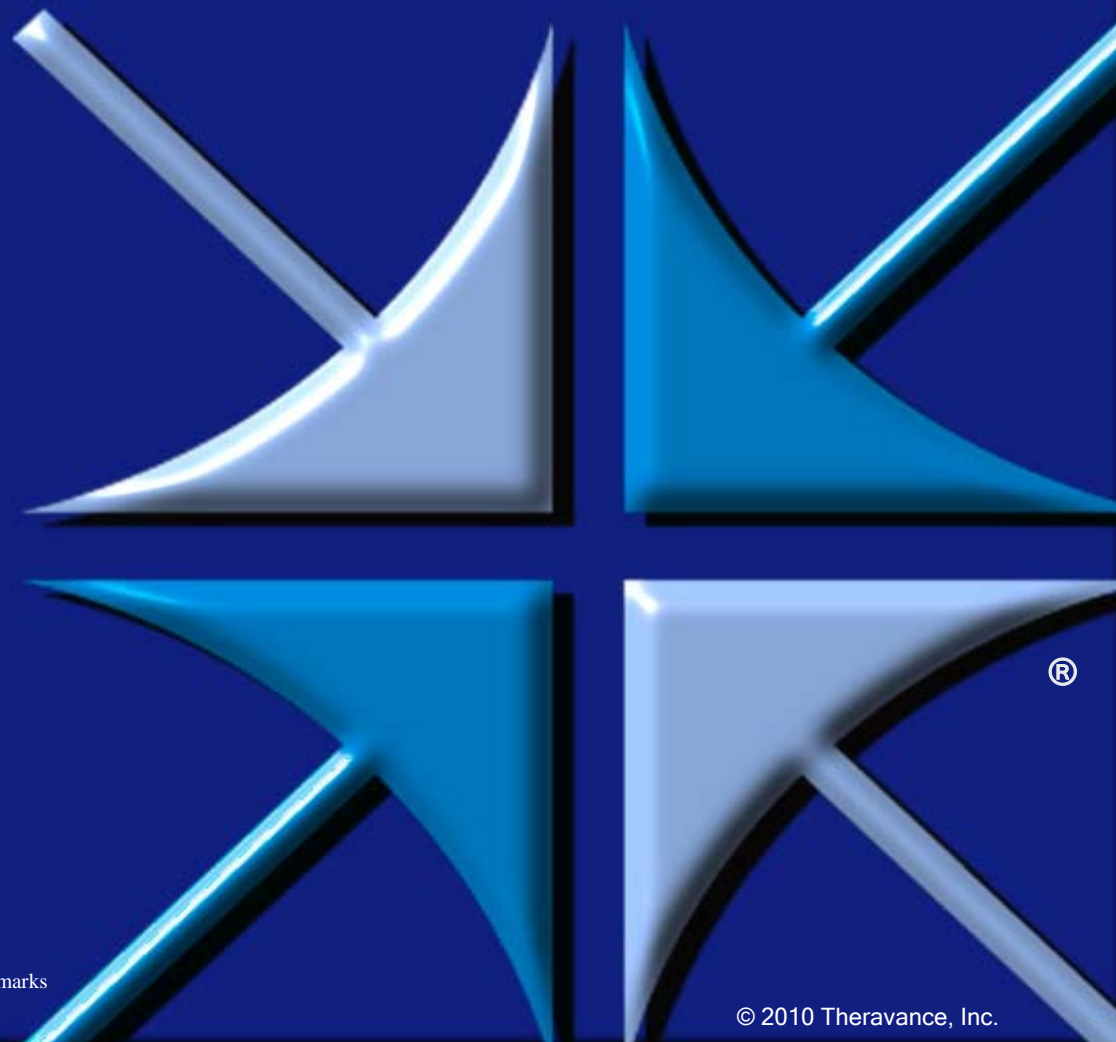
Financial Position

- Cash as of March 31, 2010: ~\$225M
- Projected 2010 expenses
 - ◆ Approximately \$80M to \$85M for R&D + SG&A
 - ◆ Excludes SFAS 123(R) stock option expenses
- Access to development funding
 - ◆ GSK pays all RELOVAIR™ and MABA program development costs
 - ◆ Potential milestone payments from Astellas: up to \$30M remaining
- Royalties from sales of VIBATIV™



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