

January 4, 2005

Theravance Announces Initiation of Phase 1 Clinical Study with Investigational Medicine for Gastrointestinal Motility Dysfunction

South San Francisco, CA, January 3, 2005 - Theravance, Inc. (NASDAQ: THRX) announced today that it has enrolled the first subjects in a Phase 1 clinical study designed to assess the safety, tolerability and pharmacokinetics of its investigational gastrointestinal (GI) prokinetic, TD-2749.

TD-2749 is a selective 5-HT₄ agonist discovered by Theravance through the application of multivalent drug design in a drug discovery program dedicated to finding new medicines for GI motility disorders such as chronic constipation, constipation-predominant irritable bowel syndrome (C-IBS), opioid-induced constipation, functional dyspepsia and diabetic gastroparesis.

"GI disorders potentially amenable to prokinetic treatment are common", said Michael Kitt, MD, Senior Vice President of Development at Theravance, "The goal for our program is to develop a once-a-day oral medicine that is more effective than the market leading medicines."

Dr. Patrick P. A. Humphrey, Executive Vice President of Research at Theravance, said, "We believe that our multivalent approach to drug discovery has the potential to provide a superior next-generation medicine to treat GI motility disorders. TD-2749 is the fifth drug discovered at Theravance to enter into human clinical testing in the last four years. In 2001, telavancin, an investigational antibiotic for the treatment of serious Gram-positive infections, entered into human clinical studies and is currently in Phase 3. In 2002, the lead compound in our long-acting beta₂ agonist collaboration with GSK entered the clinic, followed by our second compound in that program in 2004. Our overactive bladder program initiated Phase 1 studies in 2003 and now our GI prokinetic is being tested in human volunteers."

About Theravance

Theravance is a biopharmaceutical company with a pipeline of internally discovered product candidates. Of the five programs in development, two are in late stage - telavancin and the Beyond Advair collaboration with GlaxoSmithKline. Theravance is focused on the discovery, development and commercialization of small molecule medicines across a number of therapeutic areas including respiratory disease, bacterial infections, overactive bladder and gastrointestinal disorders. By leveraging its proprietary insight of multivalency to drug discovery focused on validated targets, Theravance is pursuing a next generation drug discovery strategy designed to discover superior medicines in large markets. For more information, please visit the company's web site at: www.theravance.com.

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This press release 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. Examples of such statements include statements relating to the expected timing, scope and results of clinical and preclinical studies, statements regarding the potential benefits and mechanisms of action of drug candidates and the enabling capabilities of proprietary insights. These statements are based on the current estimates and assumptions of the management of Theravance as of the date of this press release and are naturally 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 its forward-looking statements include, among others, risks related to delays or difficulties in commencing or completing clinical and preclinical studies, the potential that results of clinical or preclinical studies indicate product candidates are unsafe, ineffective, inferior or not superior, and delays or failure to achieve regulatory approvals. These and other risks are described in greater detail under the headings "Special Note Regarding Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Theravance's prospectus dated October 5, 2004 filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Other Factors Affecting Operating Results" in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Theravance assumes no obligation to update its forward-looking statements.

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