Forward Looking Statements

This presentation contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this presentation, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, are forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make as a result of various important factors, including those discussed in the “Risk Factors” section of our most recent quarterly report on Form 10-K, which is on file with the SEC and is also available on our website. The forward-looking statements contained in this presentation reflect Durata’s current views with respect to future events, and Durata assumes no obligation to update any forward-looking statements except as required by applicable law.
Durata Therapeutics

We are a pharmaceutical company focused on the development and commercialization of novel therapeutics for patients with infectious diseases and acute illnesses. Our lead product candidate, dalbavancin, is in development for the treatment of patients with acute bacterial skin and skin structure infections, or ABSSSI.
Key Investment Highlights

- Highly differentiated, late-stage product with documented efficacy, safety and tolerability
  - Previous Phase 3 program met all primary and secondary endpoints
  - Recently reported DISCOVER program studies met all primary and secondary endpoints
  - Clearly defined regulatory pathways with near term NDA & MAA filings planned
  - Patent coverage/exclusivity through 2023 with possible extension; 5 years added (10 total) data exclusivity upon FDA approval with QIDP designation

- Clinical focus is moving to opportunities beyond the primary ABSSSI indication
  - Osteomyelitis
  - Hospital Community Acquired Pneumonia
  - Diabetic Foot Infection

- A large and growing category
  - ~2.6 million patients admitted to hospitals for IV Antibiotic therapy annually
  - ~35mm days of therapy annually: $10B at branded prices

- Favorable capital structure
  - $83.5M of cash and cash equivalents at 2Q13
  - Favorable corporate tax rate and no royalties (except single digit on Japan sales only)
Dalbavancin Differentiation
Dalbavancin: Mechanism of Action

Dalbavancin is a potent semisynthetic glycopeptide (lipoglycopeptide) which interferes with peptidoglycan cross-linking in the cell wall by binding to the D-ala-D-ala terminus of stem peptides.

*Streit, et al. DMID 2004, p137

**Comparative MIC90 (µg/ml) of selected agents and dalbavancin tested against Worldwide clinical isolates (2002)**

<table>
<thead>
<tr>
<th></th>
<th>S. aureus (1,815)</th>
<th>S. aureus (1,177)</th>
<th>β-hemolytic streptococci (234)</th>
<th>Viridans group streptococci (30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dalbavancin</td>
<td>0.06</td>
<td>0.06</td>
<td>0.06</td>
<td>0.03</td>
</tr>
<tr>
<td>Teicoplanin</td>
<td>1</td>
<td>2</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Vancomycin</td>
<td>1</td>
<td>2</td>
<td>PCN = 0.06</td>
<td>R</td>
</tr>
<tr>
<td>Oxacillin</td>
<td>S</td>
<td>R</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linezolid</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Streit, et al. DMID 2004, p137*
Dalbavancin: Unique Pharmacokinetic Profile

Dalbavancin dosed with 1000 mg IV on Day 1 and 500 mg IV on Day 8

Dalbavancin’s pharmacokinetic profile enables:
- Broad tissue distribution
- Continuous cidality
- Once weekly dosing
- Maintenance of high plasma concentration
Commercial Thesis and Opportunity
Dalbavancin Commercial Thesis

- US ABSSSI (at risk for MRSA) market is large;
  - ~2.6 million patients admitted to hospitals for IV Antibiotic therapy annually
  - ~35mm days of therapy annually, representing ~ $10B at branded pricing*
  - High and growing prevalence of MRSA leads to empiric treatment

- Providers respond positively to the dalbavancin product profile
  - Well positioned to address providers’ desire to deliver care in ambulatory settings more frequently
  - Presents opportunities in indications beyond ABSSSI

- Health economic and reimbursement dynamics are favorable
  - Reimbursement metrics are driving care to hospital ambulatory or out-patient settings

- Customer universe is highly targeted
  - Top 500 hospitals provide greater than 40% of our target market opportunity

* If generics were converted to branded daptomycin pricing

Source: Industry Sources, IMS & LEK analysis and interviews
Hospital Incidence of Acute Bacterial Skin and Skin Structure Infections (ABSSSI)

- U.S. hospitals treat ~18 million patients annually for infections
- ABSSSI accounts for ~17% of these infections, or 3.3MM patients\(^1\)
- ABSSSI represents ~3% of all hospital admissions\(^2\)
- ~65% of the ABSSSI patients have cellulitis and wound infections\(^1\)

Sources:  

*Other categories include fevers of unknown origin, upper respiratory, bone/joint, non-surgical prophylaxis, CNS, cardiovascular and eye infections.

**Other diagnoses include ulcer - diabetic foot/leg, ulcer - decubitus, gangrene, dental, burn, mastitis and lymphadenitis/lymphangitis.
Hospitalized ABSSSI Patient Care Pathway

99,798 Inpatients with principal diagnosis of skin infection

ED 72.7%

Admitted to hospital

Treated:
- 98.5% any antibiotic
- 65.4% Vancomycin
- 20.6% Clindamycin
- 4.8% Linezolid
- 4.4% Daptomycin
- 2.9% Tigecycline

Discharge to:
- 63.1% Home
- 20.9% HHO
- 9.2% SNF
- 0.4% Death

Mean total inpatient cost: $8,023

<table>
<thead>
<tr>
<th>ABSSSI Type</th>
<th>Inpatient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cellulitis/Abscess</td>
<td>79.1%</td>
</tr>
<tr>
<td>Surg Site Infection</td>
<td>20.2%</td>
</tr>
<tr>
<td>Traumatic/Wound</td>
<td>0.4%</td>
</tr>
<tr>
<td>Unspecified</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Source: LaPensee K et al 2012 ISPOR (poster)
Hospital Margin and Departmental Cost Centers for Cellulitis Primary Diagnoses w/o MCC - MS-DRG 603

Cost Center Breakdown for MS-DRG 603 (Cellulitis Without MCC)*

<table>
<thead>
<tr>
<th>Cost Center</th>
<th>Percent of Hospital Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine days</td>
<td>51.68%</td>
</tr>
<tr>
<td>Intensive days</td>
<td>5.19%</td>
</tr>
<tr>
<td>Drugs</td>
<td>12.95%</td>
</tr>
<tr>
<td>Supplies and equipment</td>
<td>3.14%</td>
</tr>
<tr>
<td>Therapy services</td>
<td>1.83%</td>
</tr>
<tr>
<td>Inhalation therapy</td>
<td>1.07%</td>
</tr>
<tr>
<td>Operating room</td>
<td>1.78%</td>
</tr>
<tr>
<td>Anesthesia</td>
<td>0.81%</td>
</tr>
<tr>
<td>Cardiology</td>
<td>0.11%</td>
</tr>
<tr>
<td>Laboratory</td>
<td>6.51%</td>
</tr>
<tr>
<td>Radiology</td>
<td>3.93%</td>
</tr>
<tr>
<td>Emergency room</td>
<td>4.23%</td>
</tr>
<tr>
<td>Blood and blood products</td>
<td>0.47%</td>
</tr>
<tr>
<td>ESRD</td>
<td>0.01%</td>
</tr>
<tr>
<td>Other services</td>
<td>6.29%</td>
</tr>
</tbody>
</table>

MS-DRG 603 Grouping Cellulitis w/o MCC

- **Average Hospital Margin:** -12.2%
- **Number of Cases:** 116,144
- **Average LOS:** 4.3
- **Routine Day Cost ($):** $3,117
- **Intensive Day Cost ($):** $313

Source: Avalere analysis of 2010 MedPAR file and 2009 HCRIS dataset for inpatient hospitals

* Hospital payment includes any hospital-specific geographic wage index adjustments, indirect medical expenditure (IME) payments, and disproportionate share hospital (DSH) payments.
** Hospital cost calculated using hospital-specific cost-to-charge ratio (CCR) and allocated to 15 departmental cost centers
Based on 2010 CMS data, the national 30-day all-cause hospital readmission rate is 19.3%; higher in Chicago (26.7%)

Readmission rates for cellulitis and other serious gram positive infections mirror the all-cause rates

Source: Avalere analysis of 2010 MedPAR file and 2009 HCRIS dataset for inpatient hospitals
Financial Penalties are Driving Hospitals to Deliver Care in Ambulatory or Out-Patient Settings

<table>
<thead>
<tr>
<th>Hospital Acquired Conditions (HACs)</th>
<th>Hospital Readmissions ****</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial penalties for conditions that patients acquire during a hospital stay</td>
<td>Financial penalties for avoidable hospital readmissions</td>
</tr>
<tr>
<td>Medicare - Hospitals in the top quartile for HACs will receive a 1% decrease in DRG payments*</td>
<td>Hospitals will have payments reduced by 1% in 2013 and increasing to 3% by 2015</td>
</tr>
<tr>
<td>Medicaid - Secretary of HHS adopts regulations prohibiting federal payments for HACs***</td>
<td>Hospitals required to submit data to either the Secretary of HHS or to the States to determine patient readmission rates</td>
</tr>
<tr>
<td>Secretary of HHS to publicize information on HAC rates</td>
<td>Secretary of HHS to publicize information on readmission rates</td>
</tr>
<tr>
<td>Medicaid prohibition – FY 2011***</td>
<td>Began FY 2013</td>
</tr>
<tr>
<td>Medicare reductions – FY 2014**</td>
<td></td>
</tr>
</tbody>
</table>

**The Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, sec. 3008, "Payment Adjustment for Conditions Acquired in Hospitals"
****PPACA The Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, sec. 3025, "Hospital Readmissions Reduction Program"
Clinician Response to Dalbavancin Product Profile by Feature

1 = Not favorable at all; 10 = Extremely favorable

- Ensured compliance for 7 days: 8.9
- Potential to reduce in-patient stay: 8.7
- Dose regime (day 1 & 8): 8.7
- No need for PICC line: 8.7
- No blood monitoring: 8.5
- Bactericidal activity: 8.3
- Safety / tolerability profile: 8.1
- Glycopeptide class: 6.2

ePocrates market research, May 2009, 150 physicians
Clinicians Response to Treatment Setting Using Dalbavancin

- 86% of respondents believe that >10% of SSSI patients, currently admitted to the hospital, could be treated as an outpatient with dalbavancin.

Institutional burden is a factor for assessing benefit.

Q: What percent of SSSI patients currently admitted to the hospital could now be treated on an out-patient basis over the entire course of treatment due to this product’s profile?

- >50%: 15%
- 31-50%: 24%
- 21-30%: 22%
- 11-20%: 25%
- 6-10%: 11%
- 1-5%: 2%
- 0: 1%

Q: Will your hospital/institution factor in the savings from administrative benefits, such as lower burden on nursing time, in assessing the cost/benefit of this drug?

- Yes: 82%
- No: 18%

ePocrates market research, May 2009, 150 physicians
Commercial Strategy: Target hospitals

- Approximately 1,900 hospitals account for 80% of the total opportunity based on our selected target market; the top 500 hospitals provide greater than 40% of our target market opportunity.

- Number of hospitals accounting for:
  - Deciles 3-10 of Target Market: 1,870
  - Deciles 3-10 of Branded Market: 1,594
  - Deciles 3-10 of both Target Market and Branded Market: 1,392
  - Deciles 6-10 of both Target Market and Branded Market: 459

Source: IMS: Durata - Account Based Targeting and Alignment, March, 2013
Commercial Strategy: Launch Plans

Current pre-launch efforts will focus on key stakeholders:

- Mapping formulary submission processes and evidence requirements
- Development and validation of value dossier, formulary submissions
- Infectious disease and pharmacy — education of key thought leaders
- Develop key account plans and value proposition with payers and hospital administration
- Develop reimbursement support services and resources

Target audiences:

- 1,500-2,000 hospitals
- 7,000 IDs
- 6,000 high volume (gram + utilization) IMs and surgeons

Anticipate a commercial organization of ~140 personnel, including hospital specialists, key accounts, formulary, marketing, discharge and reimbursement support

Similar characteristics typify the EU5 marketplace
Recent and Upcoming Events
Key Financial Metrics

- **Strong balance sheet**
  - $83.5M cash, cash equivalents and short-term investments at Q2’13

- **Controlled Operating Expenses**
  - $13.2M R&D at 2Q13
  - $4.5M G&A at 2Q13

- Current shares outstanding: Approx. 26.6M (ex. 2.3M options)
Key Milestones / Upcoming Events

- **NDA filing for ABSSSI in late September 2013:**
  - Anticipated approval: 1H 2014
  - Pre-launch activities ongoing

- **MAA filing for ABSSSI end of 2013:**
  - Anticipated Approval: end of 2014
  - Commercial planning beginning

- **Data presentations at select 2013 scientific meetings:**
  - 8-week dosing at ECCMID
  - Additional data from DISCOVER Programs at ICAAC and ID Week

- **Other studies and indications:**
  - Pediatric ABSSSI: Opened sites and began screening
  - Pediatric Osteomyelitis: Pursuing a protocol with FDA
  - Hospitalized Community Acquired Pneumonia: Phase 1 to be initiated in late 2013/early 2014
  - Diabetic Foot Infection: Program to pursue a near term publication TBD
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