

Lieu Hsiao  
 Form 5  
 February 14, 2012

**FORM 5**

OMB APPROVAL

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB Number: 3235-0362  
 Expires: January 31, 2005  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b). Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
 Lieu Hsiao

(Last) (First) (Middle)

C/O NILE THERAPEUTICS,  
 INC., 115 SANSOME STREET,  
 SUITE #310

(Street)

SAN FRANCISCO, CA 94104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 Nile Therapeutics, Inc. [NLTX]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2011

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 VP, Clinical Research

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or (D) Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 4.45	11/21/2011	Â	A4	25,000	Â	Â	(1)	03/10/2018		Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lieu Hsiao C/O NILE THERAPEUTICS, INC. 115 SANSOME STREET, SUITE #310 SAN FRANCISCO, CA 94104	Â	Â	Â VP, Clinical Research	Â

## Signatures

/s/ Daron Evans as Attorney-in-Fact for Hsiao D. Lieu pursuant to Power of Attorney previously filed. 02/14/2012

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) On 03/10/08, the Reporting Person was granted an option to purchase up to 100,000 shares of common stock of the Issuer. Up to 1/4 of the shares subject to the option may vest annually based on the achievement of certain performance milestones as determined by the Compensation Committee of the Board of Directors (the Committee") of the Issuer. On 1/19/09, the Committee determined that options for the prorated period ending 12/31/08 would vest in the amount of 9,123 shares, with options to purchase 11,151 shares being forfeited. On 1/19/10, the Committee determined that options for the period ending 12/31/09 would vest in the amount of 12,500 shares, with options to purchase 12,500 shares being forfeited. On 12/17/10, the Committee determined that options for the period ending 12/31/10 would vest in the amount of 25,000 shares. On 11/21/11, the Committee determined that options for the period ending 12/31/11 would vest in the amount of 25,000 shares.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.