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DISCOVERY PARTNERS INTERNATIONAL INC Form 425

Form 425 April 27, 2006

Filed by Discovery Partners International, Inc. Pursuant to Rule 425

Under the Securities Act of 1933

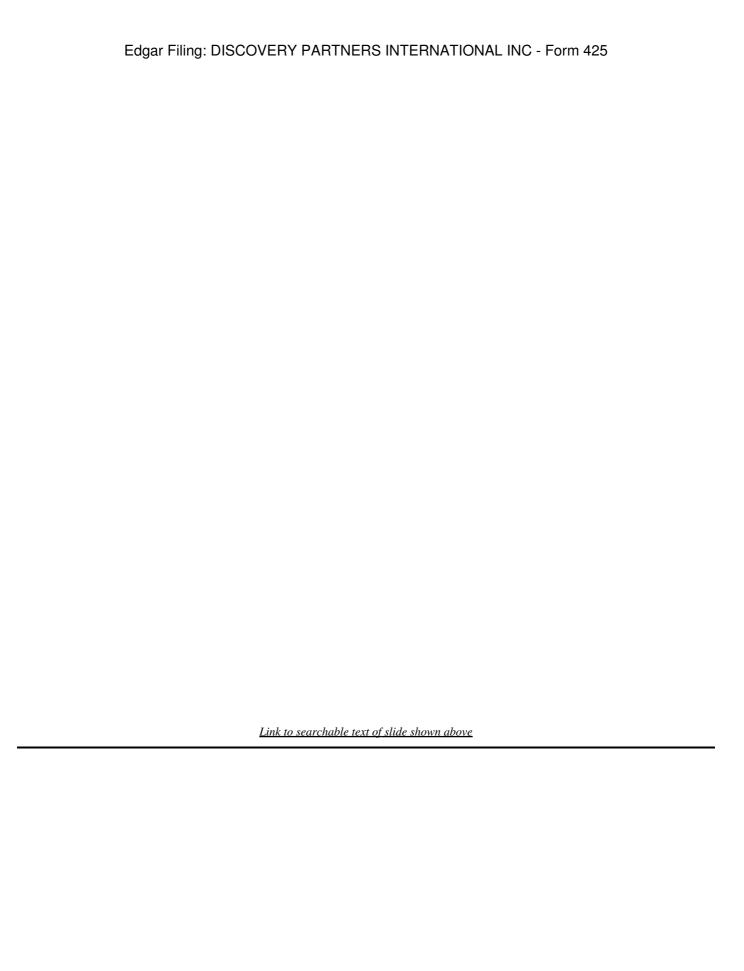
and Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: Infinity Pharmaceuticals, Inc.

This filing relates to the Agreement and Plan of Merger and Reorganization, dated as of April 11, 2006 (the Merger Agreement), by and among Discovery Partners International, Inc. (DPI), Darwin Corp. and Infinity Pharmaceuticals, Inc. (Infinity). The Merger Agreement was attached as Exhibit 1.1 to a Form 8-K filed by DPI with the SEC on April 12, 2006, and is incorporated by reference into this filing.

DPI and Infinity gave the following presentation in Boston, Massachusetts on April 26, 2006.















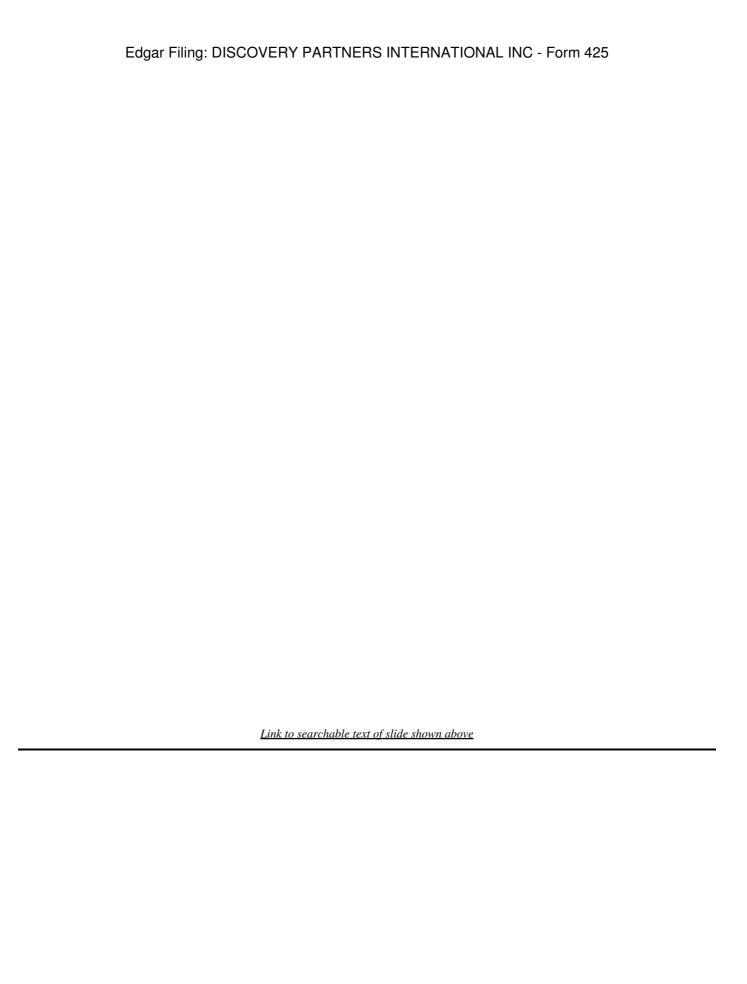










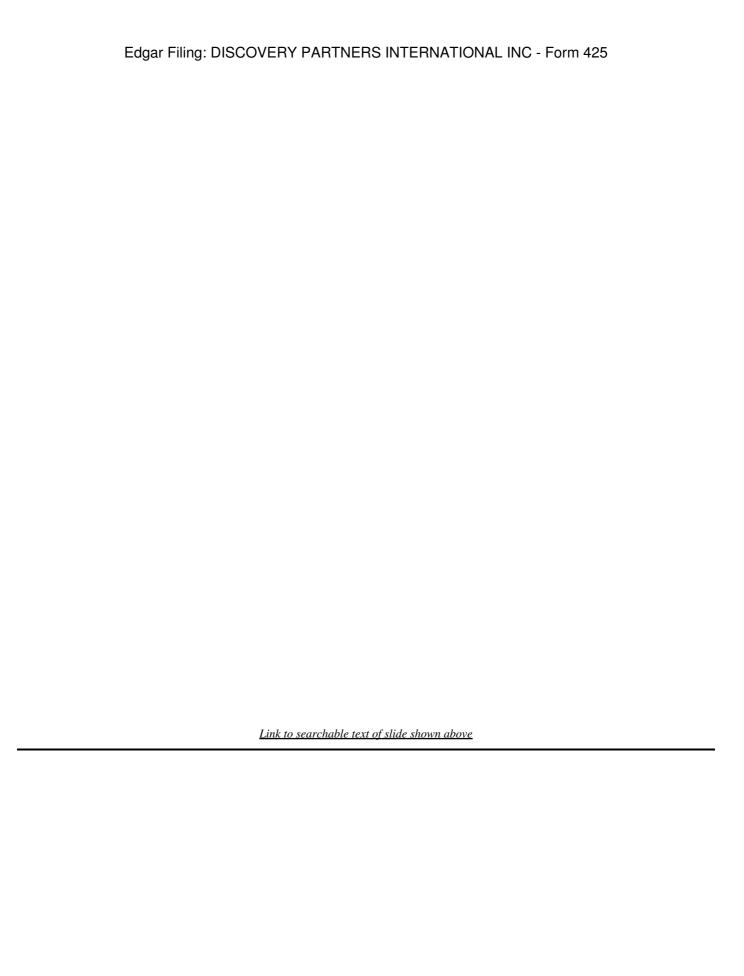


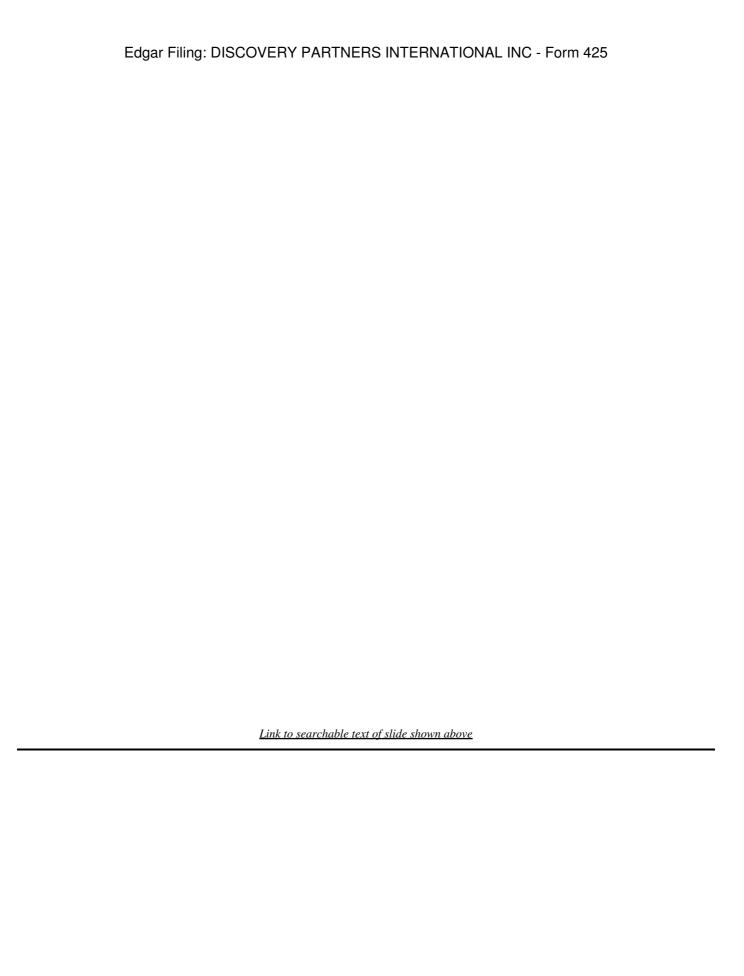




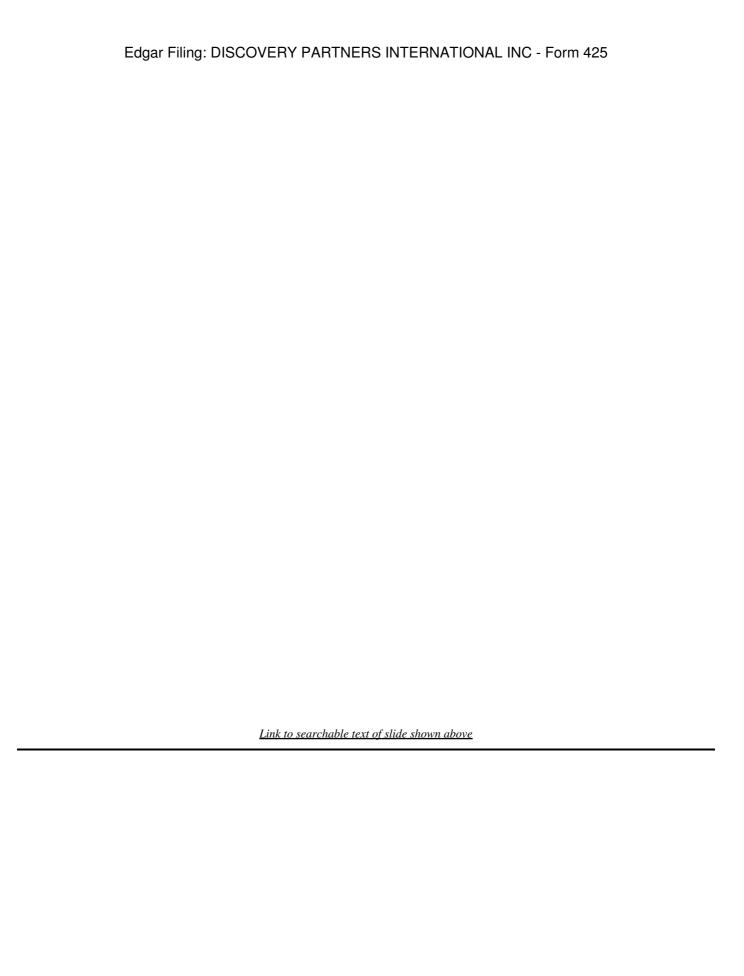


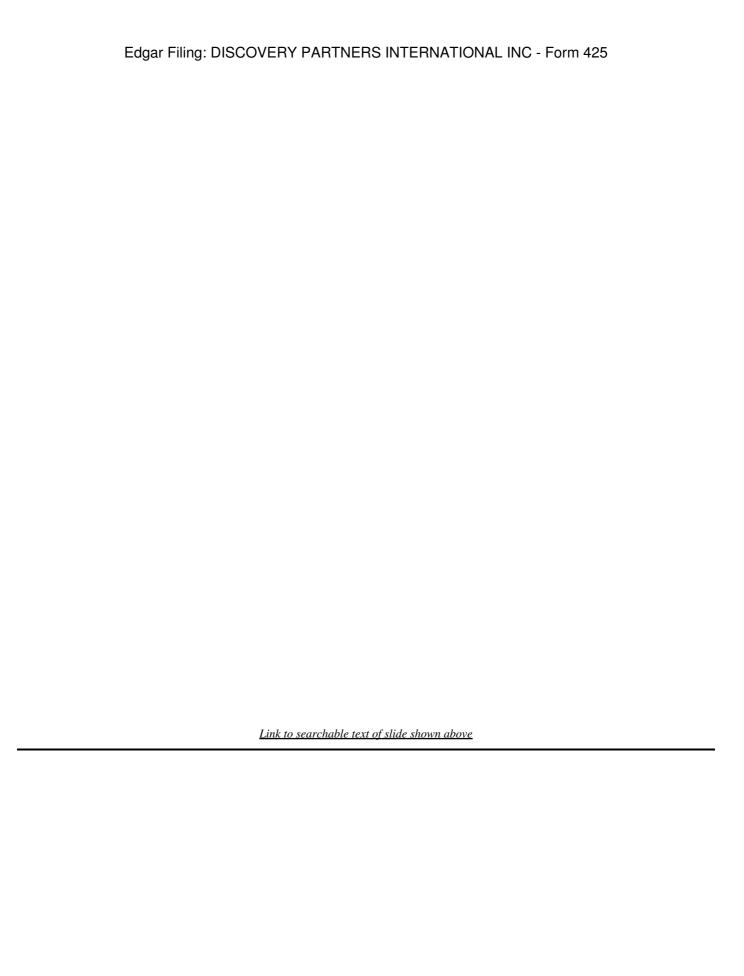


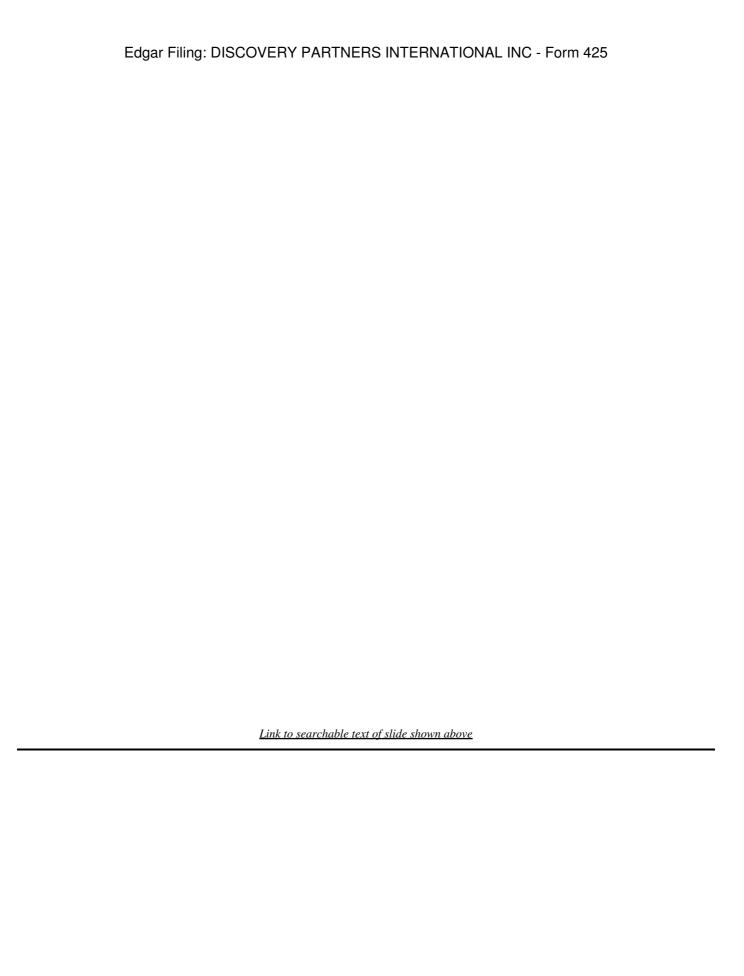




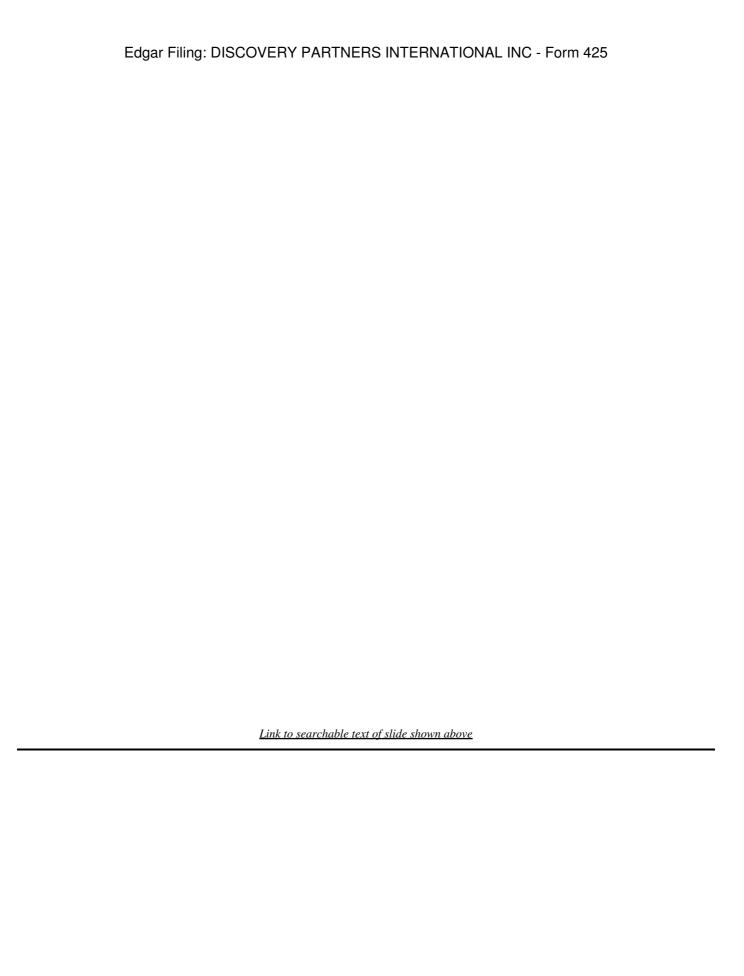


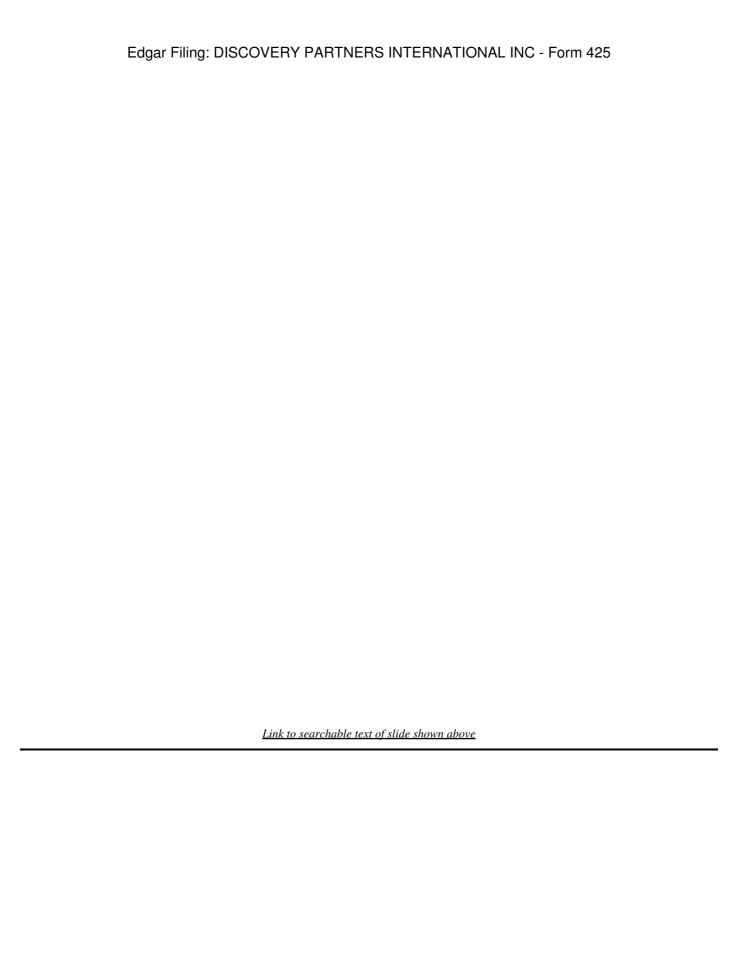


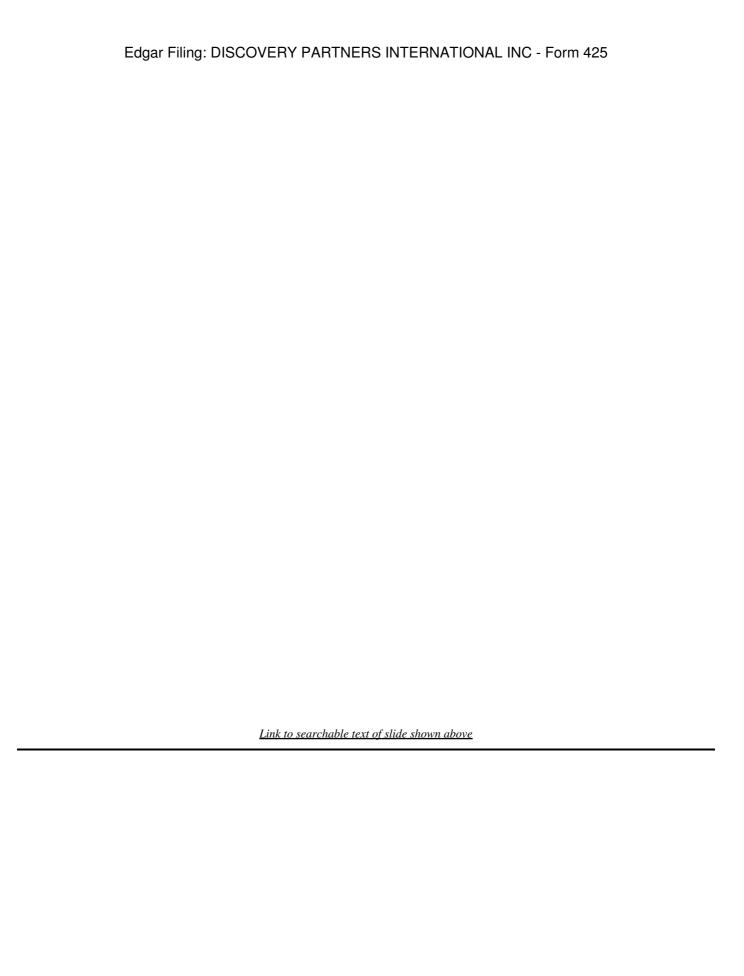


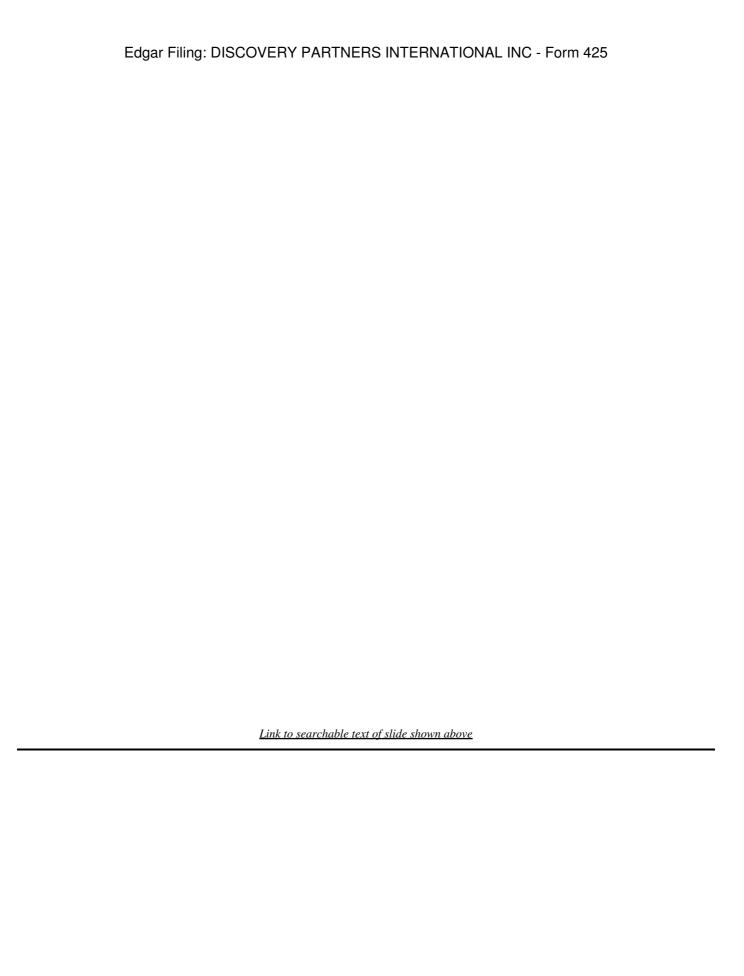


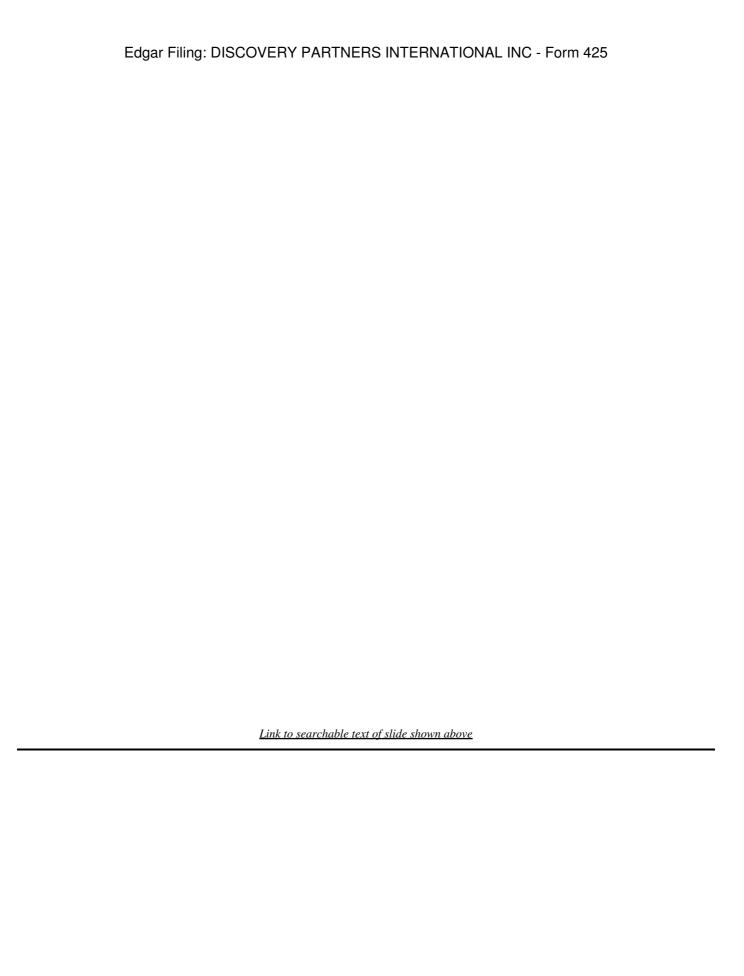






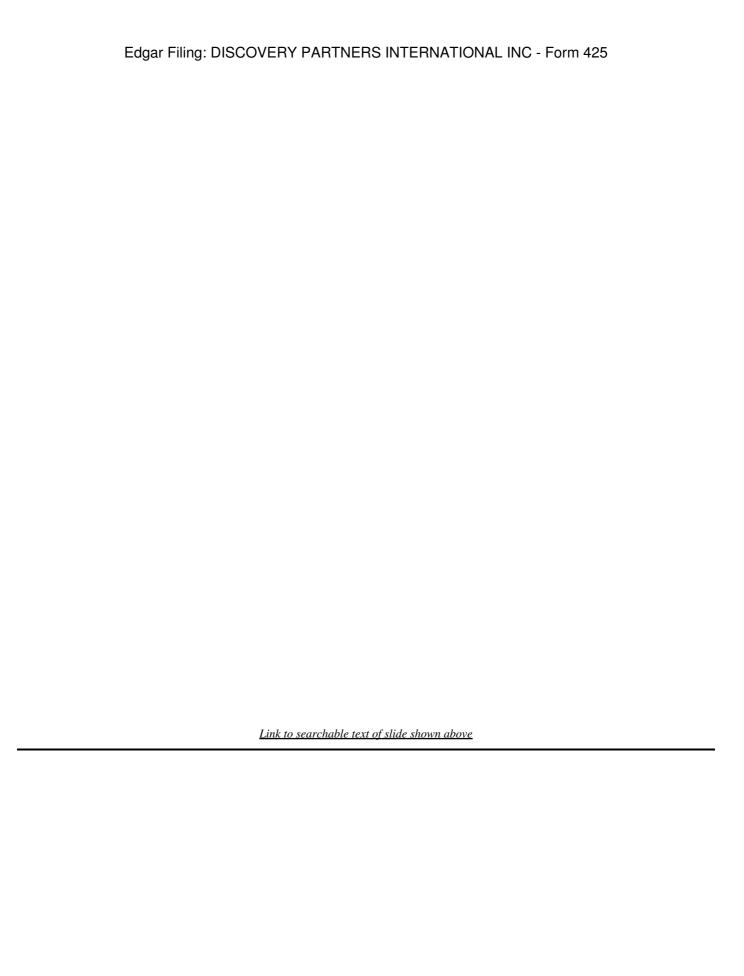




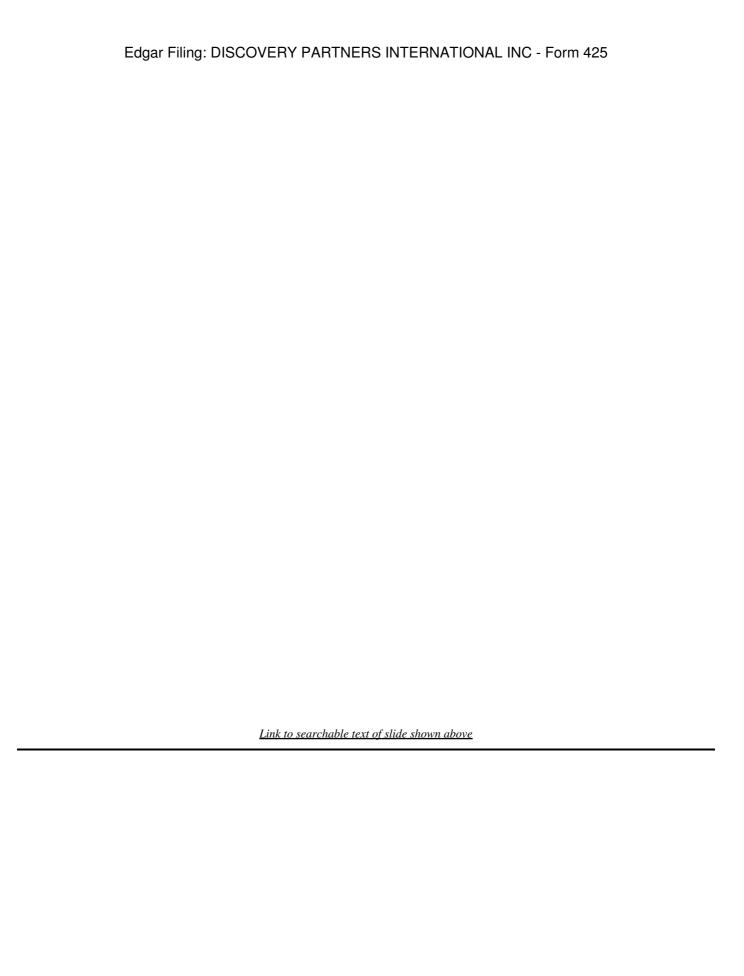


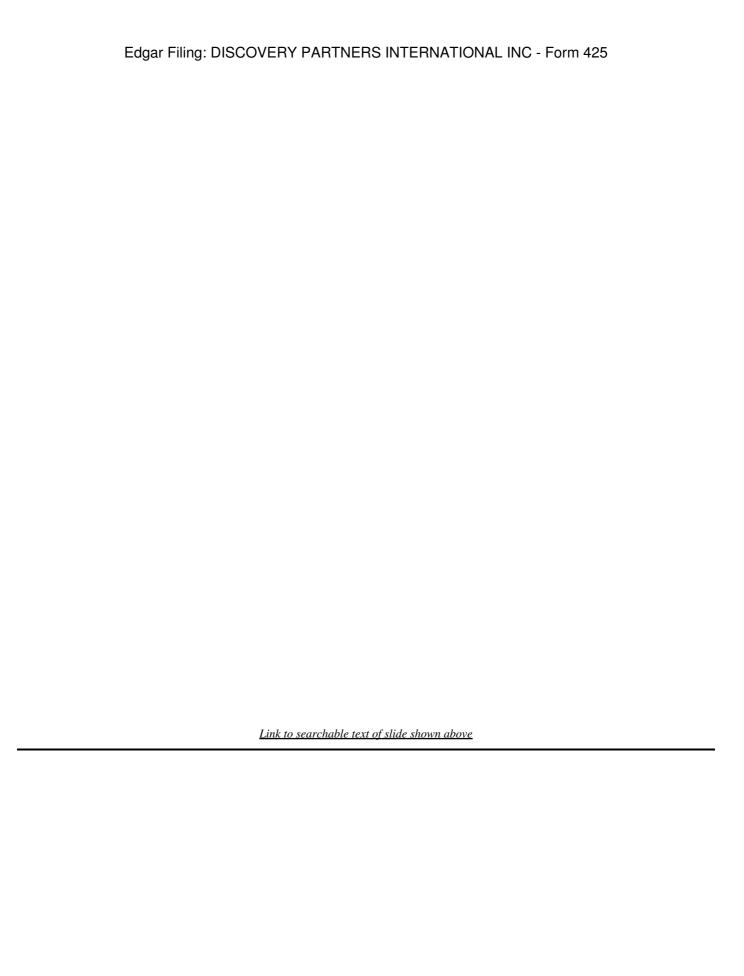


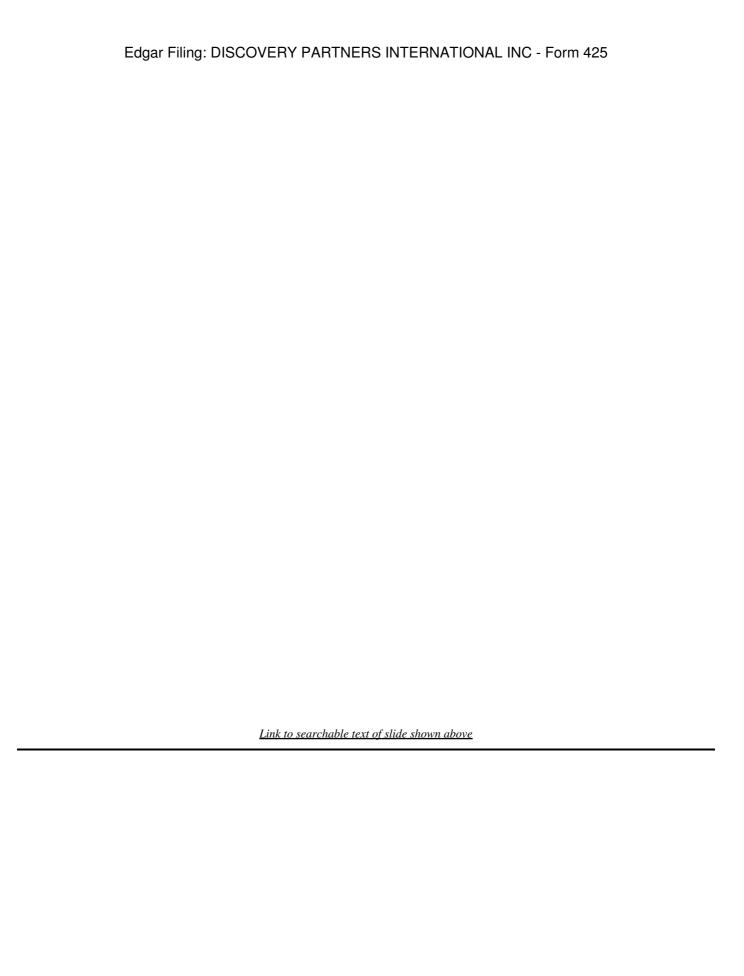


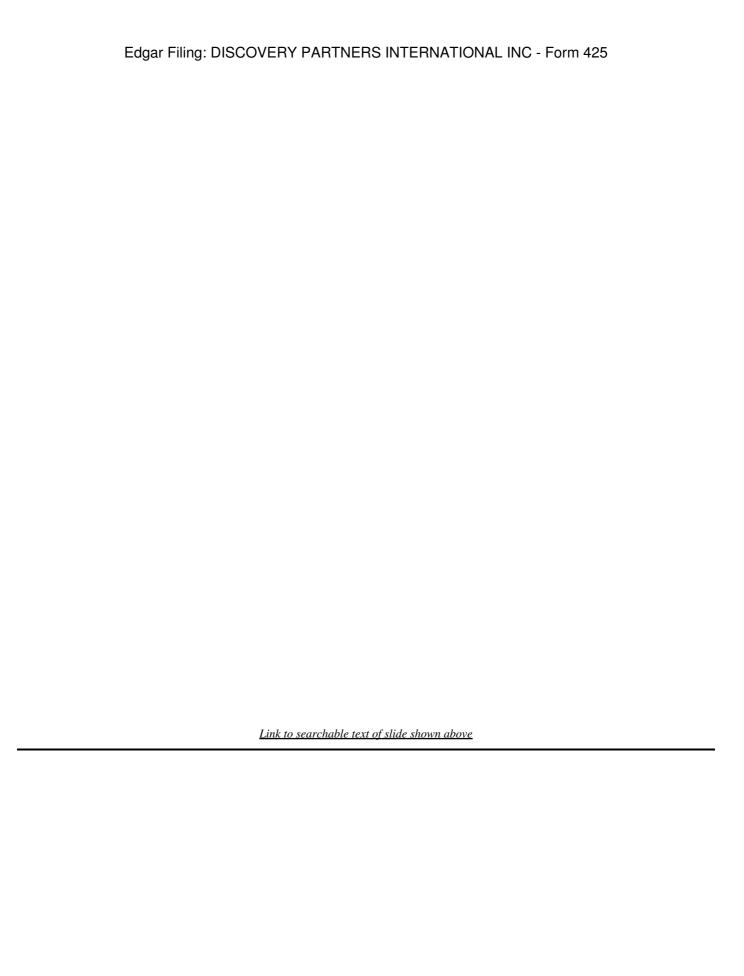


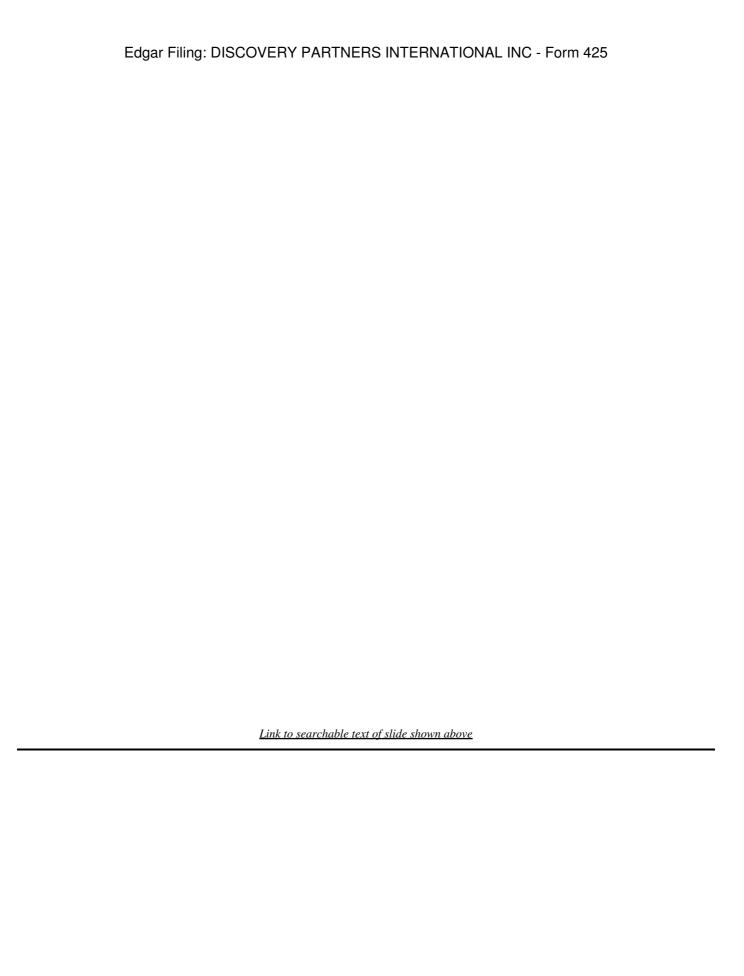




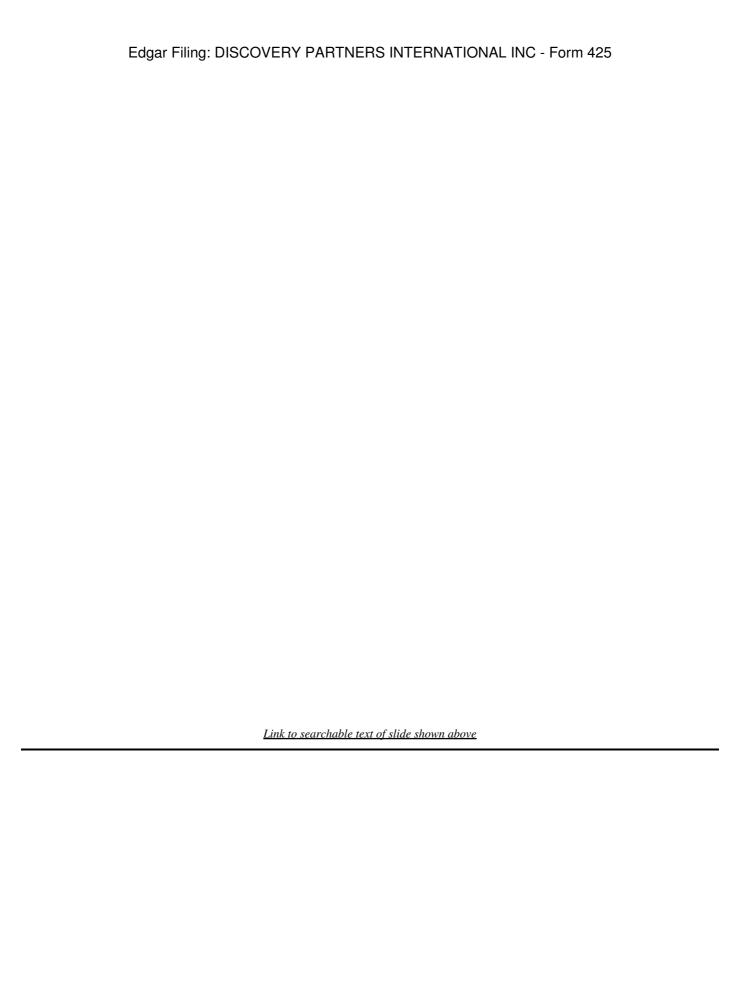




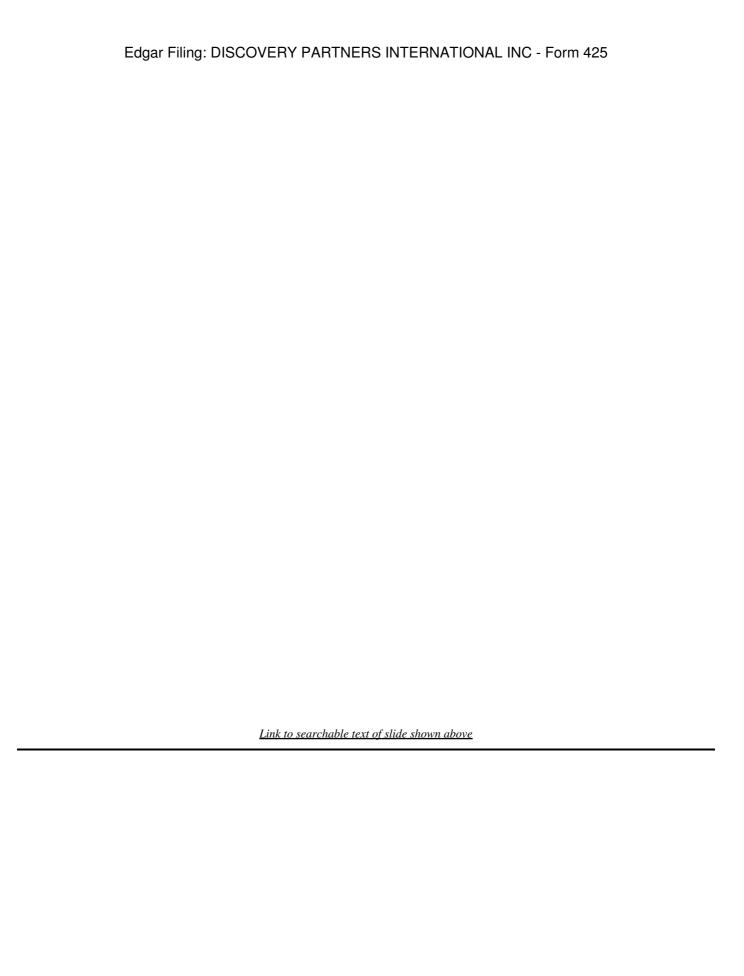












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[GRAPHIC]

Reverse Merger Proposal

Infinity Pharmaceuticals and

Discovery Partners International (Nasdaq: DPII)

April 26, 2006

	Michael C. Venuti, Ph.D.	
	Acting Chief Executive Officer	
	Discovery Partners International	
	(Nasdaq:DPII)	
[LOGO]		
	2	

Forward-Looking Statement

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding the proposed transaction, Discovery Partner International s (DPI) and the combined company s net cash at closing, the trading of the combined company s shares on the NASDAQ National Market, the potential value created by the proposed merger for DPI s and Infinity s stockholders, DPI s deployment of its resources and ability to engage in strategic transactions or divest its various business units, the efficacy, safety, and intended utilization of Infinity s product candidates, the conduct and results of discovery efforts and clinical trials, and plans regarding regulatory filings, future research and clinical trials and plans regarding current and future collaborative activities. Factors that may cause actual results to differ materially include the risk that DPI and Infinity may not be able to complete the proposed transaction, the risk that Infinity s product candidates and compounds that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in clinical trials, the risks associated with reliance on collaborative partners for further clinical trials and other development activities, risks involved with development and commercialization of product candidates, the risk that DPI may be unable to divest itself of or otherwise transfer ownership of some or all of its business units on satisfactory terms or at all, the risk that DPI s net cash at closing will be lower than currently anticipated, and risks and other uncertainties more fully described in DPI s annual report on Form 10-K for the year ended December 31, 2005 as filed with the Securities and Exchange Commission and DPI s other SEC reports. You are urged to consider statements that include the words may, will, would, could. should. believes, estimates, projects, potential, expects, plans, anticipates, intends, continues, forecast, designed, goal, or the negative of those words or other comparable words to be uncertain and forward-looking. The transaction is subject to customary closing conditions, including approval of DPI s and Infinity s stockholders.

Any forward-looking statements are made pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, speak only as of the date made. DPI undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Who we are				
Discovery Partners (Nasdaq: DPII)				
Fee-for-service discovery research: chemistry, biology				
Pharma and biotech customers				
Public company since 2000				
\$80 million in cash, no debt				
4				

Why Me	orgo?	
wily ivie	erge:	
		DPI rationale
	Response to dramatic changes in discovery business	
	Outsourcing to India, China	
	Price pressures	
	Better upside for investors in near-term product opportunities with significant potential	
	5	

Why Inf	finity?	
		Thorough evaluation
	Top-tier private company	
	Multiple near-term value driving events	
	Ongoing clinical trials	
	Pipeline	
	Partnerships	
	Management that has discovered drugs and built companies	
	Create a security with market-recognized value	
	6	

Steven Holtzman

Chairman, Chief Executive Officer

Infinity Pharmaceuticals

Why Me	rge?	
		Infinity rationale
	Cost-effective, timely access to capital	
	Clinical trial / preclinical pipeline funding	
	Generate efficacy data on lead product candidate, IPI-504	
	Accelerate and expand Infinity pipeline	
	8	

Snapshot of Post-Merger Infinity			
Lead clinical product in two ongoing Phase 1 cancer studies			
Phase 2 expected in 2006			
Pipeline of preclinical cancer drug candidates			
Internally discovered and developed, chemistry platform			
4 Pharma/Biotech corporate alliances			
Amgen, J & J and Novartis (2)			
Cash pro forma Q1: \$100 million			
Proven biotech leadership			

Making C	Cancer a Chronic Disease
	Stra
D	Orug targets that are well-credentialed, but not well-trodden
IF.	irst- or best-in-class medicines
•	inst of best in class incurrings
F	astest path to registration
S	elective strategic alliances to maximize value, retaining significant product rights
S	order to gorder animates to maintained value, reculting significant product rights
L	everage Infinity s small molecule technologies
A	culture and community maximally conducive to innovation
	10

Product Pipeline: One IND Filing per Year

	Discovery	Preclinical	IND Filing	Clinical Trials
IPI-504 (Hsp90)			2005	Phase I ongoing Phase II 2H/2006
IPI-609 (Hedgehog)			2006	
Bcl2/Bcl-xL			2007	
Additional Targets			2008for	ward
		11		

Product Pipeline: One IND Filing per Year

	Discovery	Preclinical	IND Filing		Clinical Trials
IPI-504 (Hsp90)				2005	Phase I ongoing Phase II 2H/2006
IPI-609 (Hedgehog)				2006	
Bcl2/Bcl-xL				2007	
Additional Targets				2008forw	ard
		12			

Lead Clinical Product: IPI-504	
	Best-in-class Hsp90 Inhibitor
[GRAPHIC]	
Broad activity, multiple cancers	
Large therapeutic window	
Single agent activity	
Synergy in combination	
Activity in resistant settings	
2nd generation oral formulation under development	
13	

IPI-504: Broad Market Potential

Multiple Myeloma (MM)

Hematologic Malignancies

Chronic Myelogenous Leukemia (CML)

Acute Myelogenous Leukemia (AML)

Non-Hodgkin s Lymphoma (NHL)

Gastrointestinal Stromal Tumors (GIST)

Breast cancer (HER2+)

Solid tumors Non-small cell lung cancer (NSCLC)

Renal cell carcinoma

Malignant Melanoma

Hormone Refractory Prostate cancer (HRPC)

IPI-504:	Clinical Plan
Phase 1	
	Multiple myeloma
	GIST
	Combinations
Phase 2	
	MM / GIST
	Other indications
[CHART]	
	15

Heat Shock Protein 90 (Hsp90)	
	Emerging cancer target
Stabilizes proteins in functional conformations	
Two roles in cancer	
Generally: Maintaining protein homeostasis in cancer cells	
Specifically: Stabilization of key oncoproteins, including drug-resistant ones	
[GRAPHIC]	
16	

Targeted Cancer Therapies

New Frontier

	Molecular Target	Targeted therapy	Indication
Hematologic	NF-kB Bcr-Abl Flt3	Velcade Gleevec / Dasatinib Investigational	Myeloma CML AML
Solid tumor	c-Kit HER2 EGFR VEGFR / HIF-1a b-Raf p-Akt	Gleevec / Sutent Herceptin Tarceva / Erbitux Sorafenib / Sutent Sorafenib Investigational	GIST Breast (HER2+) NSCLC Renal cell Melanoma Prostate (PTEN -/-)
		17	

Molecular Target

Hematologic NF-KB

Bcr-Abl All are Hsp90 clients

Flt3

Solid tumor c-Kit

HER2

EGFR Inhibiting Hsp90 affects the VEGFR / HIF-1a stability of these targets

b-Raf p-Akt

Hsp90: Potential Universal Salvage Therapy

Disease	Hsp90 Client	Drug	Kinase Inhibitor Resistance Mutation	
CML	BCR-ABL	Gleevec, Dasatinib	T315I	Highly responsive to Hsp90 inhibition
GIST	KIT	Gleevec, Sutent	T670I	
NSCLC	EGFR	Iressa, Tarceva	T790M	Alternative to chasing mutations
			19	

Oral IPI-504: Survival Benefit		
Gleevec-resistant T315I		CML transplantation model
[CHART]		
Collaboration:		
Shauguang Li, Jackson Labs		
	20	

[CHART]

[CHART]

I-504: Clinical Milestones for 2006	
Phase 1 MM trials: complete	
Phase 1 GIST trial: complete	
Phase 2 MM and/or GIST trial: initiate	
ditional potential indications and milestone events	
Phase 1 combination studies (e.g. Taxotere, Velcade, Gleevec)	
Additional Phase 2 studies (e.g. NSCLC, CML, CLL)	

Product Pipeline: One IND Filing per Year

	Discovery	Preclinical	IND Filing	Clinical Trials
IPI-504 (Hsp90)			2005	Phase I ongoing Phase II 2H/2006
IPI-609 (Hedgehog)			2006	
Bcl2/Bcl-xL			2007	
Additional Targets			2008 fo	rward
		24		

I-609: Most Advanced Preclinical Candidate	
	Potent hedgehog pathway inhi
Expected first-in-class systemic hedgehog inhibitor	
Proprietary NCE	
Oral product	
Broad anti-cancer potential	
Strong data supporting pancreatic, metastatic prostate, SCLC, others	
Single agent activity	
Potential for synergy with standards of care	
25	

IPI-609: Clinical Plan

2005	2006	2007	2008
IND-enabling studies	FILE IND	Clinical development	
Pharmacology GLP toxicology Manufacturing		Phase I Pancreatic SCLC Met Prostate, etc. Heme malignancies	Phase II Single or combo Phase II or III Registration trial
		26	

IPI-609: Preclinical Efficacy Rationale	IPI-609:	Preclinical	Efficacy	Rationale
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PC3 prostate cancer xenograft

[CHART]

Hedgehog Pathway: Broad Rationale in Solid Tumors

Human tumor biopsy data

State	Pathway activation
Normal	OFF
Basal cell carcinoma(1),(2)	ON
Medulloblastoma(3)	ON
Pancreatic cancer(4),(5),(6)	ON
Prostate cancer(7),(8)	ON
Small cell lung cancer(9)	ON
Hepatocellular cancer(10)	ON
Breast Cancer(11)	ON

- (1) Hahn et al., 1996, Cell 85: 841
- (2) Bale & Yu, 2001, **Human Molec. Genetic**. <u>10</u>: 757 (review)
- (3) Berman *et al.*, 2002 **Science** <u>297</u>: 1559
- (4) Berman et al., 2003 Nature <u>425</u>: 846
- (5) Kayed et al., 2004 Int. J. Cancer 110: 668
- (6) Thayer et al., 2003 Nature 425: 851
- (7) Karhadkar et al., 2004 Nature, 431: 707
- (8) Fan et al., 2004 **Endocrinology** 145: 3961
- (9) Watkins et al., 2003, Nature 422: 313
- (10) Sicklick 2005 ASCO; Mohini, 2005 AACR
- (11) Kubo et al., 2004 Cancer Res. <u>64</u>:6071

Product Pipeline: One IND Filing per Year

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IPI-504 (Hsp90)			2005	Phase I ongoing Phase II 2H/2006
IPI-609 (Hedgehog)			2006	
Bcl2/Bcl-xL			2007	
Additional Targets			2008	forward
		29		

Bcl-2 / Bcl-xL Antagonists: Opportunities	
	Therapeutic Applications
Bcl key anti-apoptotic factors	
Up-regulated in many cancers	
Up-regulated in response to chemotherapy in many cancers	
Highly attractive but historically intractable	
Protein-protein interaction targets	
Prospective products	
Combination with chemotherapy: general chemo-sensitizing agent	
Single agent: in cancers dependent on Bcl family members for survival	
Types of products:	
Bcl-2 selective	
Bcl-2 and Bcl-xL dual selective	

Bcl: Lead Compounds from DOS

Infinity s Small Molecule Technology

Product profile	Bcl-2 (Ki)	Bcl-xL (Ki)
Bcl-2 Selective	65 pM	>1,000x 100 nM selectivity
Dual selective	1.1 nM	6 nM
	31	

Bcl: 2006 Novartis Alliance

ACTIVITIES	FINANCIALS
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Joint discovery (led by Infinity)	Upfront & near term committed \$30M
Joint development (led by Novartis)	Total potential payments >\$400M
Worldwide marketing by Novartis with Infinity US co-promotion	Royalties on WW sales

Accelerates, expands value creation

DOS Technology Alliances: Small Molecules	i	
[LOGO]	[LOGO]	[LOGO]
Diversity Oriented Synthesis	S (DOS)	
2004 2006: > \$60 million	upfront/committed cash	
Non-dilutive capital and cap	ability expansion	
Additional milestone and roy	yalty potential	
No license of proprietary Inf	inity product rights	
[GRAPHIC]	[GRAPHIC]	[GRAPHIC]
	33	

Pipeline & Partnerships

Ownership of most advanced candidates retained

	Discovery	Preclinical	IND Filing	
IPI-504 (Hsp90)			2005	100% owned
IPI-609 (Hedgehog)			2006	100% owned
Bcl2/Bcl-xL			2007	Novartis
	Small molecule drug tech	nologies		Non-exclusive Amgen Novartis J&J
		34		

Leadership: Combined Company

Mr. Steven Holtzman, Chairman & CEO *Millennium, DNX*

Dr. Julian Adams, President & CSO *Millennium, ProScript*

Boehringer Ingelheim, Merck

Ms. Adelene Perkins, EVP & CBO Transform, Genetics Institute, Bain, GE

Dr. Christine Bellon, Sr Patent Counsel Wyeth, Fish & Richardson

Dr. Michael Foley, VP Chemistry *Harvard ICCB*, *Glaxo*, *BMS*

Dr. Christian Fritz, Sr Dir Cancer Biology *Millennium, Chemgenix*

Dr. David Grayzel, VP Clinical Dev/Med Affairs Dyax, Mass General Hospital

Dr. Vito Palombella, VP Biology Syntonix, Millennium, ProScript

Dr. Margaret Read, Sr Dir Cancer Biology *Millennium, ProScript*

Dr. Jeffrey Tong, VP Corp & Product Dev McKinsey & Co, Harvard Center for Genomics Research

Dr. Jim Wright, VP Pharm Dev Millennium, Alkermes, Boehringer Ingelheim, U. of Wisconsin

Projected Board of Directors: Combined Company

Steven Holtzman, Chairman Infinity Pharmaceuticals, Inc

Ron Daniel McKinsey & Co. (former Managing Partner)

Dr. Tony Evnin Venrock Associates

Dr. Eric Lander Director Broad Institute, Whitehead, MIT

Patrick Lee Advent Venture Partners

Dr. Arnold Levine Institute for Advance Study

Dr. Frank Moss Director MIT Media Lab; Founding CEO Tivoli

Dr. Vicki Sato Former Vertex and Biogen

Dr. James Tananbaum Prospect Venture Partners

Dr. Michael Venuti Discovery Partners, Celera

Mr. Harry Hixon BrainCells, Amgen

Mr. Herm Rosenman Gen-Probe

Infinity	s Financial and Pharmaceutical Investors
	Prospect Venture Partners
	Venrock Associates
	Advent Venture Partners
	HBM BioVentures
	Vulcan Ventures
	Wellcome Trust
	POSCO BioVentures
	Tallwood
	Alexandria Equities
	Lotus BioScience
	Amgen
	Novartis

The Merger: Next Steps

Key Merger Terms
A financing event
DPI invests cash and divests operating units
If DPI cash between \$70M and \$75M, ownership:
DPI shareholders = 31%
Infinity shareholders = 69%
If cash above \$75M or below \$70M, adjustment applied

Merger Timetable

Approval of both companies BOD ý Public announcement of transaction ý File S-4 By Mid-May **SEC** comment period By Late June Joint proxy statement / prospectus to DPI, Infinity stockholders By Mid-July **DPI, Infinity Stockholder votes** By Mid-August If approved DPI shares issued Following vote Infinity traded as public company

2006 News flow, Milestones and Goals

Status

Product Pipeline

IPI-504: Complete Phase 1s

IPI-504: Initiate Phase 2

IPI-609: File IND

Pipeline: New INDs / programs for 2007+

Successful alliance execution (Novartis, J&J, Amgen)

At least one new corporate alliance

ý

Financing event: Approved merger

Year-end cash runway: \geq 12-24 months

[LOGO]

www.IPI.com

Forward Looking Statements

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intends,

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Additional Information about the Merger and Where to Find It

In connection with the proposed transaction described herein, DPI will file a registration statement on Form S-4 that contains a proxy statement/prospectus with the SEC. **Investors and security holders of DPI and Infinity are**

urged to read the proxy statement/prospectus (including any amendments or supplements to the proxy statement/prospectus) regarding the proposed transaction when it becomes available because it will contain important information about DPI, Infinity and the proposed transaction. Security holders will be able to obtain a copy of the proxy statement/prospectus, as well as other filings containing information about DPI and Infinity, without charge, at the SEC s Internet site (http://www.sec.gov). Copies of the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the proxy statement/prospectus, if any, can also be obtained, without charge, by directing a request to Discovery Partners International, Inc., 9640 Towne Centre Drive, San Diego, CA 92121, Attention: Investor Relations, Telephone: (858) 455-8600.

Participants in the Solicitation

DPI and its directors and executive officers and Infinity and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of DPI in connection with the proposed transaction. Information regarding the special interests of these directors and executive officers in the merger transaction will be included in the proxy statement/prospectus referred to above. Additional information regarding the directors and executive officers of DPI is also included in DPI s proxy statement for its 2006 Annual Meeting of Stockholders, which was filed with the SEC on April 6, 2006. This document is available free of charge at the SEC s web site (www.sec.gov) and from Investor Relations at DPI at the address described above.