

Edgar Filing: INFINITY PHARMACEUTICALS INC - Form 425

INFINITY PHARMACEUTICALS INC

Form 425

August 17, 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.

Commission File No. 333-134438

Additional Information about the Merger and Where to Find It

In connection with the proposed merger transaction between Infinity Pharmaceuticals, Inc. (Infinity) and Discovery Partners International, Inc. (Discovery Partners), on August 7, 2006, Discovery Partners filed with the Securities and Exchange Commission (the SEC) an amended registration statement that contains a proxy statement/prospectus, which registration statement has been declared effective by the Securities and Exchange Commission. Investors and securityholders of Discovery Partners and Infinity are urged to read the proxy statement/prospectus (including any amendments or supplements to the proxy statement/prospectus) regarding the proposed transaction because it contains important information about Discovery Partners, Infinity and the proposed transaction. Discovery Partners stockholders can obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about Discovery Partners and Infinity, without charge, at the SEC s Internet site (<http://www.sec.gov>). Copies of the proxy statement/prospectus 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

Discovery Partners 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 Discovery Partners in connection with the proposed transaction. Information regarding the special interests of these directors and executive officers in the merger transaction is included in the proxy statement/prospectus referred to above. Additional information regarding the directors and executive officers of Discovery Partners is also included in Discovery Partners 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 (<http://www.sec.gov>) and from Discovery Partners Investor Relations at the address listed above.

On August 16, 2006, Infinity made the presentation set forth below to a limited group of investors.

Introduction to Infinity
August 16, 2006

Forward-Looking Statements

Various statements in this presentation concerning our future expectations, plans and prospects constitute forward-looking statements for the purposes of the safe harbor provisions under The

Private

Securities

Litigation

Reform

Act

of

1995.

Such

forward-looking

statements

include

statements regarding the proposed transaction with Discovery Partner International (DPI), DPI

and

the

combined

company's

net

cash

at

closing,

anticipated

cash

post-closing

and

projected period in which such cash will be available, 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, the efficacy, safety, and intended utilization of

Infinity's product candidates, the results of discovery efforts and clinical trials, and plans regarding regulatory filings, future research and clinical trials and current and future collaborative activities. Actual results may differ materially from those indicated by such forward-looking statement as a result of various important factors, including risks related to: the ability of DPI and Infinity to complete the proposed transaction; the amount of DPI's net cash at closing; the availability of funds to continue research and development activities; the results of future clinical trials with respect to Infinity's product candidates and compounds and Infinity's ability to successfully develop and commercialize product candidates; the success of Infinity's collaborations and its ability to enter into additional collaborations;; the timing and success of regulatory filings;; the scope of Infinity's patents and the patents of others; competitive factors and other risks and

uncertainties
more
fully
described
in
DPI's
filings
with
the
Securities
and
Exchange
Commission,
including
its
Registration
Statement
on
Form
S-4,
as
filed
on
May
24,
2006
and
subsequently
amended.
The
proposed
transaction
is
subject
to
customary
closing
conditions,
including
approval
of
DPI's
and
Infinity's
stock
holders.

Any forward-looking statements speak only as of the date made. Infinity undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Mission

To develop targeted therapies for the treatment of cancer and related conditions discovered through the use of our innovative small molecule drug technologies

Lead product candidate: IPI-504, a novel Hsp90 inhibitor

Two ongoing Phase I cancer studies in GIST and multiple myeloma

Phase II expected 2007

Pipeline of preclinical cancer drug candidates

Internally discovered and developed, chemistry platform

4 Pharma/Biotech corporate alliances

Amgen, J & J and Novartis (2)

Proven biotech leadership team

Expected cash runway post-DPI merger

~ \$90+ million

Sufficient funds through 2007

Infinity Snapshot

Strategy

Drugs

Internally discovered, novel small molecules

Targets

Well-credentialed, but not well-trodden

Products

Opportunity for first-in class or fast follower best-in-class

Overview

Founded in late 2001 (~5 years old)

Team

Recognized biotechnology investor, business and R&D leaders

~115 employees (~55 PhD / MDs)

Alliance and Financing Strategy

Small molecule technology access alliances with Amgen, J&J and Novartis

Bcl-2 product alliance with Novartis

Public financing via Reverse Merger with Discovery Partners

IPI-504

lead proprietary oncology drug candidate (Hsp90)

Phase I in GIST and multiple myeloma commenced 2005

Phase II anticipated in 2007

Hedgehog pathway
preclinical oncology candidate

Our Team: ~115 full-time employees

Infinity headcount

Biology/Clinical/Regulatory

36

Chemistry

50

Management & other

12

(~55 MD or PhDs)

R&D Total

98

Total

115

G&A

17

Well-balanced

Moderate near-term growth

anticipated

Primarily in downstream
disciplines (i.e. clinical,
regulatory, CMC/ADME/tox)

Leadership

Mr. Steven Holtzman, CEO

Millennium, DNX

Dr. Julian Adams, President & CSO

Millennium, ProScript

Boehringer

Ingelheim, Merck

Ms. Adelene Perkins, CBO

Transform, Genetics Institute,

Bain, GE

Dr. Michael Foley, VP Chemistry

Harvard ICCB, Glaxo, BMS

Dr. David Grayzel, VP Clinical Development
& Medical Affairs

Dyax, Mass General Hospital

Dr. Vito Palombella, VP Discovery Biology

Syntonix, Millennium, ProScript

Dr. Jeffrey Tong, VP Corp & Prod Dev

McKinsey & Co, Harvard Center for
Genomics Research

Dr. Jim Wright, VP Pharm

Dev

Millennium, Alkermes, Boehringer

Ingelheim, Syntex, U. of Wisconsin

SAB
Oncology & Chemistry

Co-chair: Stuart Schreiber, PhD -
Co-Director Broad Institute, Prof. of Chemistry and
Chemical Biology Harvard University

Co-chair: Rick Klausner, MD
Column Group, former Head of the NCI

Arnie
Levine, PhD -
Institute for Advanced Study

Eric Lander, PhD -
Co-Director Broad Institute, Whitehead, MIT, Harvard

Todd Golub, MD -
DFCI, Broad Institute, Harvard, MIT

David Livingston, MD
Professor of Medicine, Harvard Medical School, DFCI

Ken Anderson, MD -
Robert Kraft Prof. of Medicine Harvard Medical School, DFCI

Matthew Shair, PhD
Professor of Chemistry, Harvard University

Vicki Sato, PhD
former President Vertex Pharmaceuticals

Phil Needleman, PhD -
former Head of R&D Searle, Pharmacia

Investors
Venture Capitalists

Prospect Venture Partners

Venrock Associates

Advent Venture Partners

HBM BioVentures

Vulcan Ventures

Novartis BioVentures

Wellcome
Trust

POSCO BioVentures

Tallwood

Alexandria Equities

Lotus BioScience
Pharmaceutical Companies

Amgen

Novartis

J&J

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Hedgehog pathway
preclinical oncology candidate

DOS Small Molecule Technology: Discovery and Alliance Engine

Innovative small molecule platform, diversity oriented synthesis (DOS), enables the creation of novel, natural product-like synthetic drug candidates

Potential
to
access
previously
undruggable
drug
targets

Unique asset for:

Internal drug discovery

Value-accretive technology access alliances

N
O
O
H
R²
R³
N
O
R³
H
H
H
O
O

N
R
4
O
R
R2
R1
N
O
NR
4
O
R1
O
SR2
R3

Diversity Oriented Synthesis (DOS)

2004

2006: > \$65 million upfront/committed cash

Additional milestone and royalty potential

No license of proprietary Infinity product rights

Small Molecule Technology Access Alliances

Total payments >\$400M
Early product pipeline: Bcl-2 alliance with Novartis

Joint discovery of novel Bcl-2
targeted cancer drugs

Infinity participation in clinical
development (at NVS expense)
COLLABORATION

Infinity participation in US sales
effort (at NVS expense)
\$30M

Upfront &

committed funds
FINANCIALS

Royalties on WW sales

Discovery
Preclinical
Start Clinical
Trials
Hsp90
(IPI-504)
Bcl2/Bcl-xL
2005
2007/2008*
100% owned
100% owned
Novartis
Non-exclusive

Amgen

Novartis

J&J
Small molecule drug technologies

Alliance and financing strategy: value retention

Hedgehog

Pathway

(IPI-609)

2007*

*Planned

Reverse Merger
with
Discovery Partners International, Inc.
(NASDAQ: DPII)

DPI reverse merger opportunity

Discovery Partners International

Publicly traded company on NASDAQ (DPII)

Cash position 1/1/06: > \$83M

Board mandate (Q1, 2006):

Shut down existing business

Seek alternative, high-value biotech investment opportunity

DPI undertakes extensive evaluation of merger candidates

DPI selects Infinity as preferred partner

A financing event only

NO

programs, employees, partnerships,
or obligations of DPI transferred to Infinity

DPI invests

cash and divests operating units

7/7/06: Sale of all DPI operating assets to Galapagos

If DPI cash between \$70M and \$75M, ownership:

DPII stockholders = 31%

Infinity stockholders = 69%

If cash above \$75M or below \$70M, adjustment applied

Expected reverse stock split at closing to lower share number and
increase share price

The reverse merger: a creative financing and access to
public markets

Lead clinical product in two ongoing Phase I cancer studies

Phase II expected 2007

Pipeline of preclinical cancer drug candidates

Internally discovered and developed, chemistry platform

4 Pharma/Biotech corporate alliances

Amgen, J & J and Novartis (2)

Proven biotech leadership team

Estimated approximately \$90 million cash

Projected cash runway through 2007 and key value driving events
before any additional alliances or financing

Snapshot of Post-Merger Infinity (NASDAQ: INFI)

Status of Reverse Merger

Announce merger

File Initial S4

S-4 is Declared Effective

S-4 mailed to DPI and IPI Stockholders

Stockholder meeting/vote scheduled

Deal Closes, INFI publicly traded

April 12, 2006

July 11, 2006

August 7, 2006

August 9-10, 2006

September 12, 2006

Following successful vote

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Phase II anticipated in 2007

Hedgehog pathway
preclinical oncology candidate

Novel Hsp90 inhibitor

Currently in 2 Phase I clinical trials:

GIST

Multiple myeloma

Ready for Phase II in 2007

Both IV (water-soluble) and oral
formulations

Infinity's lead clinical product: IPI-504 (Hsp90 inhibitor)

Cl

-

IPI-504

OH

N

H

N
OH
O
OH
Me
O
O
O
O
NH
2
H
H
+

Heat Shock Protein 90 (Hsp90) is an emerging cancer target

Hsp90 in cancer cells differs from

Hsp90 in normal cells*

Function of Hsp90 in cancer cells

General chaperone function

essential for protein homeostasis

Specific chaperone function

stabilization of oncogenic proteins in key cell signaling pathways

Preferential targeting to cancer

*Reference: Kamal