PHARMACOPEIA INC
Form 425
November 12, 2008

1
Joseph A. Mollica, Chairman of the Board,
Interim President & CEO
Pharmacopeia
John L. Higgins, President & CEO
Ligand Pharmaceuticals
Rodman & Renshaw 10th Annual Healthcare Conference
New York City, November 11, 2008
Filed by Ligand
Pharmaceuticals
Incorporated
Pursuant to Rule 425
under the Securities Act of 1933 and
deemed filed pursuant to Rule 14a-6 under
the Securities Exchange Act of 1934, as amended
Subject Company: Pharmacopeia, Inc.
Commission File No: 0-50523

Joseph A. Mollica, Chairman of the Board,
Interim President & CEO
Discovering excellence, driving clinical success
TM

3
This
presentation,
and
oral
statements
made
with
respect
to
information
contained
in
this
presentation,
constitute
forward-looking
statements
within
the
meaning
of
the
Private
Securities
Litigation
Reform
Act
of
1995.
Such
forward-looking
statements
include
those
which
express
plan,
anticipation,
intent,
goal,
contingency
or
future
development

and/or otherwise are not statements of historical fact. These statements are based upon management's current expectations and are subject to risks and uncertainties, known and unknown, which could cause actual results and developments to differ materially from those expressed or implied in such statements. These forward-looking statements include, but are

not limited to, statements about the successful implementation of Pharmacopeia's strategic plans and the merger transaction between Pharmacopeia and Ligand Pharmaceuticals. Further information about these and other relevant risks and uncertainties may be found in Pharmacopeia s Reports on Form 8-K, 10-Q and 10-K filed with the U.S. Securities and Exchange

Commission. Pharmacopeia urges you to carefully review and consider the disclosures found in its filings which are available in the SEC EDGAR database at http://www.sec.gov and from Pharmacopeia at http://www.pharmacopeia.com. All forward-looking statements in this presentation and oral statements made with respect to information contained in this presentation are qualified

entirely by the cautionary statements included in this presentation and such filings. These risks and uncertainties could cause actual results to differ materially from results expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this presentation. Pharmacopeia undertakes no obligation to (and

expressly disclaims any such obligation to) publicly update or revise the statements made herein or the risk factors that may relate thereto whether as a result of new information, future events, or otherwise.

Forward-Looking Statements

4
Pharmacopeia/Ligand Merger

Merger announced on September 24, 2008

Expected to close by January
2009

Pharmacopeia shareholders benefit from any growth of
combined company

Exciting combined portfolio with significant royalty potential

Premium over Pharmacopeia stock price, including further
upside through CVR if DARA is partnered

Pharmacopeia financing risk removed

5
Combined Product Pipeline
Stage of Development
Product
Indication
Partner
Preclinical
Phase I
Phase II
Phase III / NDA
Marketed
AVINZA ®
Chronic pain
King Pharmaceuticals
PROMACTA
ITP, Hep C, CLD, CIT

GlaxoSmithKline
VIVIANT
/ APRELA
Osteoporosis
Wyeth
FABLYN®
Osteoporosis
Pfizer
PS433540
DARA / Cardiovascular
NA
PS291822
COPD (CXCR2)
Schering-Plough
PS540446
Psoriasis / RA (p38)
Bristol-Myers Squibb
LGD-4665
Thrombocytopenia
NA
PS178990
Muscle Wasting (SARM)
NA
PS095760
Oncology
Schering-Plough
PS386113
Inflammation
Schering-Plough
PS948115
Respiratory
Schering-Plough
PS248288
Metabolic Diseases
Schering-Plough
PS873266
Inflammation
Celgene
LGD-4033
Muscle Wasting (SARM)
NA
Erythropoietin (EPO)
Anemia
NA
AIPC
Prostate Cancer
NA
PS031291
Arthritis/MS (CCR1)
NA

Ligand Products
PS015146
Undisclosed
Schering-Plough
Pharmacopeia Products
SGRM
Inflammation & Cancer
NA

6
John L. Higgins, President & CEO
Ligand Pharmaceuticals
*
*
*

7
Safe Harbor Statement

The following presentation contains forward-looking statements regarding the proposed acquisition of Pharmacopeia by Ligand, including projections regarding expectations for potential research and development payments, savings in operational costs, cash burn rates, timing of achieving positive cash flow, and potential revenue and profits of a combined company.

The forward looking statements made in the presentation are subject to several risk factors, including, but not limited to the reliance on collaborative partners for milestone and royalty payments, regulatory hurdles facing product candidates, uncertain product development costs, disputes regarding ownership of intellectual property, the commercial success of approved products. The failure of Pharmacopeia s stockholders to approve the merger, Ligand s or Pharmacopeia s inability to satisfy the conditions of the merger, or that the merger is otherwise delayed or ultimately not consummated, and a failure of the combined businesses to be integrated successfully. Additional risks may apply to forward looking statements made in this presentation.

The risk factors facing Ligand and Pharmacopeia are explained in greater detail in the

Company s and Pharmacopeia s filings with the SEC, including the most recently filed annual reports on Form 10-K and quarterly reports on Form 10-Q, as well as other public filings.

8
Additional Information and Where to Find It

Ligand filed on October 20, 2008, the SEC a preliminary Registration Statement on Form S-4, which includes a proxy statement of Pharmacopeia and other relevant materials in connection with the proposed transaction. Once, finalized, the proxy statement will be mailed to the stockholders of Pharmacopeia. Investors and security holders of Pharmacopeia are urged to read the proxy statement and the other relevant materials when they become available because they will contain important information about Ligand, Pharmacopeia and the proposed transaction. The proxy statement and other relevant materials (when they become available), and any other documents filed by Ligand or Pharmacopeia with the SEC, may be obtained free of charge at the SEC's web site at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the SEC by Ligand by going to
Ligand s Investor Relations website at www.ligand.com.
Investors and security holders may obtain free copies of the documents filed with the SEC by Pharmacopeia by going to Pharmacopeia s Investor Relations page on its corporate website at www.pharmacopeia.com. Investors and security holders of Pharmacopeia are urged to read the proxy statement and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction.

Ligand and its respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Pharmacopeia in favor of the proposed transaction. Information concerning Ligand s directors and executive officers is set forth in Ligand s proxy statement for its 2008 annual meeting of shareholders, which was filed with the SEC on April 29, 2008, and annual report on Form 10-K filed with the SEC on March 5, 2008.

Pharmacopeia and its respective directors and executive officers
may be deemed to be participants in the solicitation of
proxies from the stockholders of Pharmacopeia in favor of the proposed transaction. Information about Pharmacopeia s executive officers and directors and their ownership of Pharmacopeia common stock is set forth in the proxy statement for the Pharmacopeia 2008 annual meeting of shareholders, which was filed with the SEC on March 24, 2008. Investors and security holders may obtain more detailed information regarding the direct and indirect interests of Pharmacopeia and its respective executive officers and directors in the acquisition by reading the proxy statement regarding the merger, which will be filed with the SEC.

9
Why are we Acquiring Pharmacopeia?

Royalty partnerships

Drug discovery platform

Partnerable
assets

Cash and tax assets

10
Vision for the Combined Companies

Consolidated operations with strong fundamentals
Strong balance sheet
Cost-efficient R&D business with spending discipline
Robust product pipeline
Diverse royalty partnerships with promising potential revenue and profits

Leverage highly successful drug discovery capabilities of both companies
Focus on early stage drug discovery and development
Partner pipeline assets at earliest value inflection point

Leadership focused on shareholders, market credibility and solid foundation

Commitment to driving shareholder value and to transparency on the business with

goal to drive strong cash flow and earnings

11
Combined Revenue Sources

AVINZA royalties

Potential royalties from three pending NDA s and future registrations in expanded indications
PROMACTA (GSK)
FABLYN (Pfizer)
VIVIANT (Wyeth)
APRELA NDA submission expected in 2009 (Wyeth)

Milestone and Research Payments from existing Pharmacopeia partnerships
$6.5 to $25 million potential in 2009

Potential new license payments from pipeline assets
SARM, TPO, Oral EPO, SGRM, DARA, CCR1, JAK3

12
Significant Value in Royalty Partnerships

Numerous deals with nine pharmaceutical companies

Over 15 programs in various stages of research and development in partnership portfolio

More than 20 different therapeutic indications being pursued including the largest untapped markets
Muscle wasting, COPD, thrombocytopenia, asthma

More than $400 million in potential R&D and milestone payments from existing deals
Combined company will have one of the strongest, most diverse royalty partnership rosters in the small cap biotech universe

13
Ligand s Plan for DARA

Current 2009 plan
Finish Phase IIb
trial; spend minimal amount to complete study

Evaluate partnerability
of DARA by focusing on:
Quality of data
Time and cost to develop drug and get it to market
Patent extension options
Terms of DARA agreement with BMS
Interest level conveyed by
past partnering discussions

14
Pro Forma Financial Forecast

Given our current outlook on the combined businesses, 2009 pro forma operating cash burn rate is expected to be $20 million

Potential for additional revenue and cash infusion from new license agreements

More than $350 million in potential Net Operating Loss carry-forwards before any limitations
Robustly capitalized company that has sufficient cash
to make it to profitability without additional financings

15
Strong Research Platforms
Mainly GPCR, kinase, ion channel, other
targets
Exclusively nuclear and cytokine
receptor targets
Targets
Combinatorial chemistry compound library
Over 7 million compound screening deck
Discrete compounds
100,000 compound library
Chemistry
Broad approach similar to Big Pharma:
-High-throughput & Ultra-HTS Screening
Focused expertise:
-Cell-based assays
-Gene transcription
Screening
Pharmacopeia
Ligand

Highly complementary research technology

Transaction combines two successful discovery platforms and

integrates strong biology and chemistry capabilities

16
Opportunities
and Benefits to Shareholders

Ligand shareholders gain access to:
Numerous royalty partnerships
Pipeline assets
Drug discovery assets
Cash and NOLs

Pharmacopeia shareholders will participate in:
Lucrative potential near-term royalties
Well capitalized company with no anticipated financing needs
Expanded product pipeline
Financial liquidity

17
Overview of Ligand s Partnerships
*
*
*
*

18
Major Collaborations

1997 drug discovery collaboration resulted in
eltrombopag
(PROMACTA)
small molecule
TPO mimetic

ITP: Numerous clinical studies tested, data published in NEJM, NDA pending approval (16-0 panel vote in favor of drug)

Hepatitis C: Two Phase III trials were initiated in 4Q:07, Phase II Hep C data published in

the NEJM

CIT: Chemotherapy-induced
thrombocytopenia Phase II ongoing

Sarcoma: Phase I trial

MAA and NDA submissions for the long-term
treatment of ITP expected by year-end.
&

19
Thrombocytopenia -
Causes of Disease

Decreased production of platelets
Myelodysplastic syndrome
Hepatitis C
Cancer in the bone marrow (leukemia)
Aplastic anemia

Increased destruction of platelets
Autoimmune, such as ITP
Sequestration in the spleen

Drug-induced
Myelosuppression by chemotherapy regimens
Anti-virals in Hep C therapies
Thrombocytopenia is a condition in which there is an abnormally low level of
platelets in the blood.
Regardless of the underlying cause, thrombocytopenia leads to decreased platelet counts,

which puts patients at greater risk for bleeding and serious adverse events.

20
Medical Significance of Thrombocytopenia (US)
(Estimated markets)
Potential Treatable Patients
ITP
~100,000
Hepatitis C
~120,000
Myelodysplastic syndrome
~20,000
Leukemia / lymphoma
~50,000
Chemotherapy induced thrombocytopenia
~140,000
Intensive care unit
acquired
~500,000
Bone marrow transplants

~50,000
Lupus
~100,000
Cirrhosis
~113,000
HIV/other
~600,000
~ 2 million platelet transfusions per year

21
Illustrative Cost for Blood-Related Treatments
Annual Cost of Care
Pharmaceuticals
~$15,000 (annual cost of care)
Splenectomy
$48,000 (procedure and medical management)
Platelet Transfusion
Single Course
$4,000
Leukemia
$84,000 (2 to 4 weeks daily)
Bone Marrow Transplant
$140,000 (4 to 6 weeks daily)
Chemotherapy
$20,000 (5 cycles)
NPlate
*$55,000

References: USRDS, 2005. DrugStore.com, Blood 108:481B-482B, 2006
American Red Cross, Transfusion of Plateles: Current Issues, Medical and Scientific Updates, No 98-6.
*Cost of therapy will be significantly higher if increased dose is needed; per Cowen & Company Research Report, August 29, 2008

22
SERM Collaborations

Ligand has two partnerships around
Selective Estrogen Receptor Modulators (SERMs):
Wyeth
Pfizer

SERMs bind with estrogen receptors in a tissue-specific manner:
Exhibit estrogen action in some tissues and anti-estrogen
action in other tissues
Deliver benefits of estrogen in desirable tissues without
the negative side effects

Potential target markets: osteoporosis, vaginal atrophy and
vasomotor symptoms of menopause

23
SERM Collaborations
&

Bazedoxifene (VIVIANT) Monotherapy:
Received third FDA approvable letter for osteoporosis
in May 2008

Expects to file complete response with FDA 1H09:
Submitted NDA for osteoporosis treatment in 3Q:07
Submitted MAA for osteoporosis prevention &
treatment in 3Q:07

Bazedoxifene in Combination with Premarin CE (APRELA):
FDA Meeting in February 2008 discussed product

formulation, bioequivalence and clinical study
efforts to support the planned NDA filing.
NDA planned by 2H:09

24
SERM Collaborations

Lasofoxifene (FABLYN) for osteoporosis treatment

NDA pending approval; FDA Extended Review through January 2009

FDA Panel had positive vote (9-3) on September 8, 2008 that there is a population of postmenopausal women with osteoporosis in which the benefit of treatment with lasofoxifene is likely to outweigh the risks.

&

25
SARM
Selective Androgen Receptor Modulators
*
*
*
*
*

26
SARM Program

Androgens (e.g. testosterone) are steroids that play key roles in bone, skeletal muscle and libido

Current androgenic drugs have disadvantages that significantly limit their use
Non-selective stimulation of all androgen receptors
Inconvenient formulations
injectable or topical
Available oral drugs have potential for hepatotoxicity

Ligand s lead SARMs LGD-3303 and LGD-4033:
Tissue-selective for bone and muscle while sparing the prostate
Orally active
In preclinical development and expected IND filing in 4Q08

Target Indications:
osteoporosis, frailty, hypogonadism,
sexual dysfunction, cachexia
Market Need

Convenient, prostate-sparing androgen receptor modulator with activity
in bone, muscle and CNS

27
SARMs Address a Major Unmet Need
Approximately 1/3 of Older Adults
have low muscle mass and
low bone mineral density
Revue de Medecine Interne 2000; 21:608,
Molecular Aspects Med. 2005; 26:818
Healthy Elderly
Elderly with
Serious Disease
Epidemiology of Aging
Ligand SARM Repletes
Muscle and Bone Loss
Increased falls
Increased risk of fractures
Normal Level
Hormone Deficient

BMD
Muscle
Mass

28
EPO Mimetic Program
*
*
*
*
*
*

29
Oral EPO Mimetics Will Provide New Therapeutic Options
to Patients

Research-stage program to discover non-peptide, small molecule oral agonists

Builds upon our recent success in discovering TPO mimetic drugs

Current recombinant EPO proteins and the EPO receptor synthetic peptides in development
All require injection
Minimal differentiation of products results in limited therapeutic option

Oral HIF Prolyl Hydroxylase inhibitors in development have the potential for mechanism-based toxicity
HIF-induced angiogenesis is a risk

Oral EPO mimetics will potentially provide targeted activation of the EPO signaling pathway with an oral dosing route

30
TPO Mimetic Program
*
*
*
*
*

31
Ligand TPO Mimetic Program

The goal to develop best-in-class molecules to stimulate the production of platelets focused on:
Potency
Onset of action
Safety
Oral dosing flexibility

Ligand s lead molecule, LGD-4665 has a promising efficacy and safety profile

Ligand is developing a robust library of next generation compounds

32
LGD-4665 Summary

LGD-4665 is approximately 10 times more potent than eltrombopag based on published data

The drug was safe and well tolerated in Phase I studies

The strong efficacy, good safety and long half-life may permit weekly dosing regimen

Conducting numerous pharmacology studies, to establish drug activity and differentiate drug profile from other TPO mimetic drug candidates

Conducting Phase II ITP trial

33
Combined Product Pipeline
Stage of Development
Product
Indication
Partner
Preclinical
Phase I
Phase II
Phase III / NDA
Marketed
AVINZA ®
Chronic pain
King Pharmaceuticals
PROMACTA
ITP, Hep C, CLD, CIT

GlaxoSmithKline
VIVIANT
/ APRELA
Osteoporosis
Wyeth
FABLYN®
Osteoporosis
Pfizer
PS433540
DARA / Cardiovascular
NA
PS291822
COPD (CXCR2)
Schering-Plough
PS540446
Psoriasis / RA (p38)
Bristol-Myers Squibb
LGD-4665
Thrombocytopenia
NA
PS178990
Muscle Wasting (SARM)
NA
PS095760
Oncology
Schering-Plough
PS386113
Inflammation
Schering-Plough
PS948115
Respiratory
Schering-Plough
PS248288
Metabolic Diseases
Schering-Plough
PS873266
Inflammation
Celgene
LGD-4033
Muscle Wasting (SARM)
NA
Erythropoietin (EPO)
Anemia
NA
AIPC
Prostate Cancer
NA
PS031291
Arthritis/MS (CCR1)
NA

Ligand Products
PS015146
Undisclosed
Schering-Plough
Pharmacopeia Products
SGRM
Inflammation & Cancer
NA

34
Near-Term Milestone and Events Calendar
1H 09
VIVIANT FDA Action
1Q 09
FABLYN FDA Action
1Q 09
Phase IIb
DARA
4Q 08
Completion of SP CXCR2 Trial in COPD
4Q 08
Phase II ITP Interim Data
Projected Timing
Development and Regulatory Events
Ligand SARM IND Submission

PROMACTA FDA Action
4Q 08
Anytime?