

Edgar Filing: INFINITY PHARMACEUTICALS INC - Form 425

INFINITY PHARMACEUTICALS INC  
Form 425  
August 03, 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 July 11, 2006, Discovery Partners filed with the Securities and Exchange Commission (the SEC ) an amended registration statement that contains a proxy statement/prospectus. 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 2, 2006, Infinity made the presentation set forth below at the Robert W. Baird Focus on Oncology Conference.

RW Baird  
Focus on Oncology Conference  
August 2, 2006

2  
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3  
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,  
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  
stockholders.

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.

4

Mission

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

5  
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

6

Leadership team

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. 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 Development

& Medical 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 Prod Dev

McKinsey & Co, Harvard Center for

Genomics Research

Dr. Jim Wright, VP Pharm

Dev

Millennium, Alkermes, Boehringer

Ingelheim, Syntex, U. of Wisconsin

7

Product Pipeline: IPI-504 (Hsp90)

Discovery

Preclinical

IND Filing

Hsp90

(IPI-504)

Clinical Trials

Bcl-2/Bcl-xL &

Additional

Targets

2005

2007/2008 forward

Phase I ongoing

Phase II expected by

early 2007

Hedgehog

Pathway

Phase I expected by

early 2007

On-going studies

TBD based on data/results

8

Product Pipeline: IPI-504 (Hsp90)

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(IPI-504)

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early 2007

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TBD based on data/results

9

Broad activity, multiple cancers

Single agent activity

Synergy in combination

Activity in resistant settings

Large therapeutic window

2

nd

generation oral formulation

under development

Lead Clinical Product: IPI-504

IPI-504

OH

N

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

10

IPI-504: Broad Market Potential

Indications

Multiple Myeloma (MM)

Chronic Myelogenous

Leukemia (CML)

Acute Myelogenous

Leukemia (AML)

Non-Hodgkin's Lymphoma (NHL)

Gastrointestinal Stromal Tumors (GIST)

Breast cancer (HER2+)

Non-small cell lung cancer (NSCLC)

Renal cell carcinoma

Malignant Melanoma

Hormone Refractory Prostate cancer (HRPC)

Hematologic

malignancies

Solid

tumors

11

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  
Heat Shock Protein 90 (Hsp90)

12  
Velcade  
Gleevec / AMN107  
Investigational  
Gleevec / Sutent  
Herceptin  
Tarceva  
/ Erbitux  
Sorafenib  
/ Sutent  
Sorafenib  
Investigational  
Targeted therapy  
The emerging world of targeted cancer therapies  
Indication  
Myeloma  
CML  
AML

GIST

Breast (HER2+)

NSCLC

Renal cell

Melanoma

Prostate (PTEN -/-)

NF-

B

Bcr-Abl

Flt3

c-Kit

HER2

EGFR

VEGFR / HIF-1a

b-Raf

p-Akt

Molecular Target



13

The emerging world of targeted cancer therapies

NF-

B

Bcr-Abl

Flt3

c-Kit

HER2

EGFR

VEGFR / HIF-1a

b-Raf

p-Akt

Molecular Target

All are clients of Hsp90

Inhibiting Hsp90 affects the  
stability of these targets

14  
Highly  
responsive to  
Hsp90  
inhibition  
Alternative to  
chasing  
mutations  
T315I  
T790M  
T670I  
Hsp90: Potential Universal Salvage Therapy  
BCR-ABL  
EGFR  
KIT  
Hsp90 Client  
Disease  
Drug  
CML  
NSCLC  
GIST

Gleevec,  
Dasatinib  
Tarceva,  
Iressa  
Gleevec,  
Sutent  
Kinase  
Inhibitor  
Resistance  
Mutation

15  
Placebo  
Gleevec  
IPI-504  
Collaboration:  
Shauguang  
Li, Jackson Labs  
0.0%  
20.0%  
40.0%  
60.0%  
80.0%  
100.0%  
15  
17  
19  
21

23

25

27

29

31

33

Days

Oral IPI-504: survival benefit in Gleevec-resistant T315I

CML transplantation model

Gleevec: 100 mpk

/ b.i.d.

IPI-504: 50 mpk

/ q.o.d.

16  
Placebo  
Gleevec  
IPI-504  
Collaboration:  
Shauguang  
Li, Jackson Labs  
0.0%  
20.0%  
40.0%  
60.0%  
80.0%  
100.0%  
15  
17  
19  
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31

33

Days

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17  
Collaboration:  
Shauguang  
Li, Jackson Labs  
Placebo  
Gleevec  
IPI-504  
0.0%  
20.0%  
40.0%  
60.0%  
80.0%  
100.0%  
15  
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Days

Oral IPI-504: survival benefit in Gleevec-resistant T315I

CML transplantation model

Gleevec: 100 mpk

/ b.i.d.

IPI-504: 50 mpk

/ q.o.d.

18

Phase I MM trial: complete

Phase I GIST trial: complete

Phase II MM and/or GIST trial: initiate  
Additional potential indications and milestone events

Phase  
I  
combination  
studies  
(*e.g.*  
Taxotere,  
Velcade,  
Gleevec)

Additional  
Phase  
II  
studies  
(*e.g.*  
NSCLC,  
CML,  
CLL)  
IPI-504: Clinical Goals for Remainder 2006 / Early 2007

19  
On-going trial  
Phase II  
additional  
indication or combination  
2005  
2006  
2007  
2008  
Multiple myeloma  
Phase I  
  
Multiple myeloma  
  
GIST  
  
Combinations  
GIST  
Phase II

GIST / MM

Other indications

Phase II

MM or GIST

TBD based on data/results

IPI-504: Clinical Plan

Phase Ib

combinations

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Product Pipeline: IPI-504 (Hsp90)

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Preclinical

IND Filing

Hsp90

(IPI-504)

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Additional

Targets

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2007/2008 forward

Phase I ongoing

Phase II expected by

early 2007

Hedgehog

Pathway

Phase I expected by

early 2007

On-going studies

TBD based on data/results

21

Hedgehog program summary

Potential for first-in-class systemic hedgehog inhibitor

Proprietary NCE s

Systemic (sub-cu and oral) products

Lead molecule in advanced preclinical development

First in man by 2007

Broad anti-cancer potential

Strong  
data  
supporting  
pancreatic,  
metastatic  
prostate,  
SCLC, others

Single agent activity

Potential for synergy with standards of care

22  
1  
Hahn  
et  
al.,  
1996,  
Cell  
85:  
841  
2  
Bale  
&  
Yu,  
2001,  
Human  
Molec.



Genetic.

10:

757

(review)

3

Berman

et

al.,

2002

Science

297:

1559

4

Berman

et

al.,

2003

Nature

425:

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.  
64  
:6071  
State  
Normal  
Basal cell carcinoma  
1,2  
Medulloblastoma<sup>3</sup>  
Pancreatic cancer  
4,5,6  
Prostate cancer  
7,8  
Small cell lung cancer  
9  
Hepatocellular  
cancer  
10  
Breast Cancer  
11  
Pathway activation  
OFF  
ON  
ON  
ON  
ON

ON  
ON  
ON

Hedgehog Pathway: Broad Rationale in Solid Tumors

23  
0  
200  
400  
600  
800  
1000  
1200  
1400  
1600  
31  
36  
41  
46  
51  
56

61

Days

Vehicle

IPI-609 10 mpk/day

IPI-609 efficacious in PC-3 prostate xenograft

24  
F  
I  
L  
E  
I  
N  
D  
2005  
2006  
2007  
2008  
IND-enabling studies  
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  
IPI-609 clinical plan  
On-going studies  
TBD based on data

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Product Pipeline: IPI-504 (Hsp90)

Discovery

Preclinical

IND Filing

Hsp90

(IPI-504)

Clinical Trials

Bcl-2/Bcl-xL &

Additional

Targets

2005

2007/2008 forward

Phase I ongoing

Phase II expected by

early 2007

Hedgehog

Pathway

Phase I expected by



early 2007

On-going studies

TBD based on data/results

26

Bcl

family of proteins: 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-2 / Bcl-xL

Antagonists: Opportunities

27

Total payments >\$400M  
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

28

Diversity Oriented Synthesis (DOS)

2004

2006: > \$60 million upfront/committed cash

Additional milestone and royalty potential

No license of proprietary Infinity product rights

Small Molecule Drug Technologies & Technology Access

Alliances

N

O

O

H

R<sup>2</sup>

R<sup>3</sup>  
N  
O  
R<sup>3</sup>  
H  
H  
H  
O  
O  
N  
R  
4  
O  
R  
R<sub>2</sub>  
R<sub>1</sub>  
N  
O  
NR  
4  
O  
R<sub>1</sub>  
O  
SR<sub>2</sub>  
R<sub>3</sub>

29  
Discovery  
Preclinical  
Start Clinical  
Trials  
IPI-504  
(Hsp90)  
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

(e.g., IPI-609)

By early

2007



30

Reverse Merger

with

Discovery Partners International, Inc.

(Nasdaq: DPII)

\*

\*

\*

\*

\*

31

Discovery Partners International (DPII) 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

Therefore: divest and invest

32

Why DPI chose Infinity

Top-tier private company

Multiple near-term value driving events

Ongoing clinical trials

Pipeline

Partnerships

Management that has discovered drugs and built companies

Invest in/create a security with market-recognized value

33

Infinity's rationale for merger

Efficient, timely access to capital

Clinical trial / preclinical pipeline funding

Generate efficacy data on lead product candidate, IPI-504

Accelerate and expand Infinity pipeline

34

A financing event

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 shareholders = 31%

Infinity shareholders = 69%

If cash above \$75M or below \$70M, adjustment applied  
The reverse merger: a creative financing and access to  
public markets

35

Lead clinical product in two ongoing Phase I cancer studies

Phase II expected by early 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 into 2008 through key value driving events  
before any additional alliances or financing

Snapshot of Post-Merger Infinity (NASDAQ: INFI)

36  
Status of Reverse Merger  
File Initial S4  
Respond to 1  
st  
Round of SEC Comments  
Respond to 2  
nd  
Round of SEC Comments  
S-4 is Declared Effective  
Mail S-4 to DPI and IPI Shareholders  
Hold Shareholder Meeting / vote  
Following Successful Vote, Deal Closes,  
INFI publicly traded  
May 24, 2006

July 11, 2006

Early August

Early August

September 12, 2006

September 13, 2006

\* Projected: requires SEC approval



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Product Pipeline

IPI-504: Complete Phase I trials

IPI-504: Expect to initiate Phase II by early 2007

Hedgehog Pathway: Expect to initiate  
Phase I by early 2007

Pipeline: New INDs  
/ programs for 2007+

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

At least one new corporate alliance

Financing event

Year-end cash runway: =  
12-24 months

NVS -

Bcl

2006 Goals, Achievements and Anticipated News Flow

Pending

DPII merger

AMGN

extension