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

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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)
Discovery
Preclinical
IND Filing
Hsp90
(IPI-504)
Clinical Trials
Bcl-2/Bcl-xL &
Additional
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Phase I ongoing
Phase II expected by
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On-going studies
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

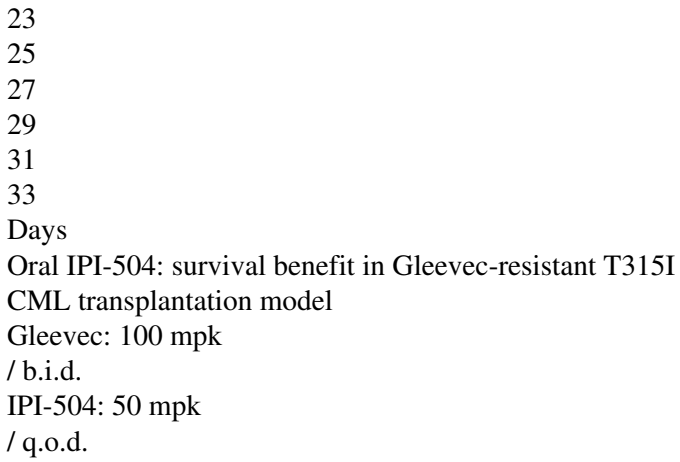
GIST
Breast (HER2+)
NSCLC
Renal cell
Melanoma
Prostate (PTEN -/-)
NF-
B
Bcr-Abl
Flt3
c-Kit
HER2
EGFR
VEGFR / HIF-1a
b-Raf
p-Akt
Molecular Target

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%
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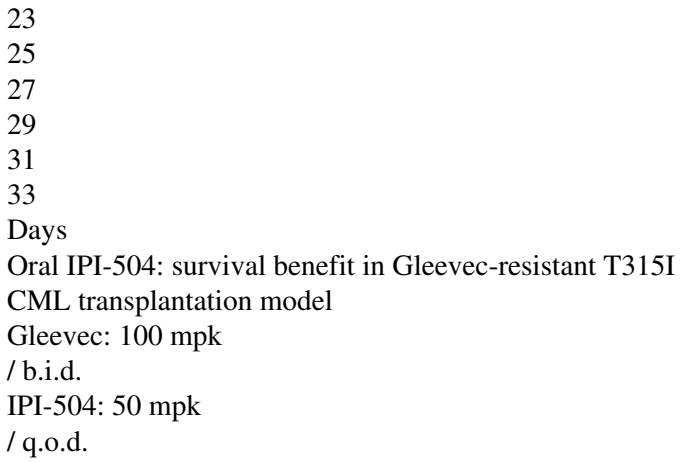
17
19
21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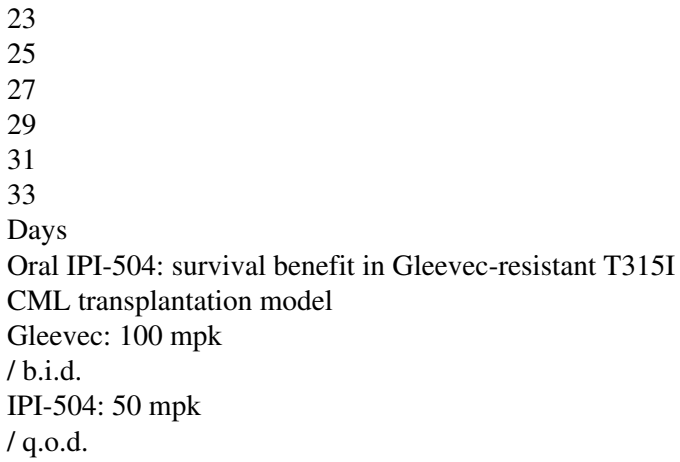
33
Days
Oral IPI-504: survival benefit in Gleevec-resistant T315I
CML transplantation model
Gleevec: 100 mpk
/ b.i.d.
IPI-504: 50 mpk
/ q.o.d.

17
Collaboration:
Shauguang
Li, Jackson Labs
Placebo
Gleevec
IPI-504
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.

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

20
Product Pipeline: IPI-504 (Hsp90)
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Preclinical
IND Filing
Hsp90
(IPI-504)
Clinical Trials
Bcl-2/Bcl-xL &
Additional
Targets
2005
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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[3]
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

25
Product Pipeline: IPI-504 (Hsp90)
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Hsp90
(IPI-504)
Clinical Trials
Bcl-2/Bcl-xL &
Additional
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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
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

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)
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*
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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

37

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