

ALTEON INC /DE  
Form 425  
May 16, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 15, 2006**

**ALTEON INC.  
(Exact name of registrant as specified in its charter)**

<b>Delaware</b> (State or other jurisdiction of incorporation)	<b>001-16043</b> (Commission File Number)	<b>13-3304550</b> (IRS Employer Identification No.)
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**6 Campus Drive  
Parsippany, New Jersey 07054  
(Address of principal executive offices and zip code)**

**Registrant's telephone number, including area code: (201) 934-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**ITEM 8.01 OTHER EVENTS.**

Kenneth I. Moch, President and Chief Executive Officer of Alteon Inc. (“Alteon”), will participate in the Rodman & Renshaw 3rd Annual Global Healthcare Conference in Monaco on Monday, May 15, 2006 at 5:35 pm (11:35 am, ET), as previously announced on May 3, 2006. In addition, Noah Berkowitz, M.D., Ph.D., President and Chief Executive Officer of HaptoGuard, Inc. (“HaptoGuard”), who is expected to become President and CEO of Alteon upon the closing of a previously-announced merger between the two companies, will review Alteon and HaptoGuard’s clinical programs. The previously-announced merger is subject to approval of Alteon and HaptoGuard stockholders and is expected to close in the third quarter of 2006. The presentation will be webcast and accessible at Alteon’s website, [www.alteon.com](http://www.alteon.com).

The presentation is attached hereto as Exhibit 99.1 and incorporated herein by reference.

*Participants in the Solicitation*

*In connection with the proposed merger, Alteon Inc. and HaptoGuard, Inc. will be filing a joint proxy statement with the Securities and Exchange Commission. Investors and security holders of Alteon Inc. and HaptoGuard, Inc. are advised to read the joint proxy statement regarding the proposed merger referred to in this communication when it becomes available because it will contain important information. Alteon Inc. and HaptoGuard, Inc. expect to mail the joint proxy statement about the proposed merger to their respective stockholders. In addition to the proxy statement, Alteon Inc. files annual, quarterly, and special reports, proxy statements and other information with the Securities and Exchange Commission. Investors and security holders may obtain a free copy of the proxy statement and any other documents filed by Alteon Inc. at <http://www.sec.gov> and directly from Alteon Inc.*

*Alteon Inc. and its officers and directors may be deemed to be participants in the solicitation of proxies from stockholders of Alteon Inc. with respect to the proposed merger. Information regarding such officers and directors is included in Alteon Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and in its proxy statement for the 2006 annual meeting, which will be filed with the Securities and Exchange Commission. Once filed, these documents are available free of charge at the Securities and Exchange Commission’s website at <http://www.sec.gov> and directly from Alteon Inc.*

*HaptoGuard, Inc. and its officers and directors may be deemed to be participants in the solicitation of proxies from stockholders of HaptoGuard, Inc. HaptoGuard, Inc. is a private company and does not file annual or quarterly reports with the SEC.*

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibit.

99.1 Presentation.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ALTEON INC.**

Dated: May 15, 2006

By: /s/ Kenneth I. Moch

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Kenneth I. Moch  
President and Chief Executive Officer

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**ALTEON**

***“The Anti-A.G.E.ing Company”***

**Breakthrough Medicines For Cardiovascular Aging and  
Diabetic Complications**

**Rodman & Renshaw 3<sup>rd</sup> Annual Global Healthcare Conference**

**May 15, 2006**

**Kenneth I. Moch  
President & CEO**

**Alteon Inc.**

**Noah Berkowitz, M.D., Ph.D.**

**President & CEO**

**HaptoGuard, Inc.**

**Safe Harbor Statement**

Certain statements made in the course of this presentation may be forward-looking and involve a number of risks and uncertainties, including, but not limited to:

Our technology and product development efforts (including the possibility that early clinical trial results may not be predictive of results that will be obtained in large-scale testing or the possibility that any clinical trials may not demonstrate sufficient safety and efficacy to obtain requisite approvals or result in marketable products)

Anticipated operating losses and capital

Anticipated regulatory filing dates and clinical trial initiation dates

Our estimates regarding our capital requirements and our needs for additional financing

Our ability to obtain sufficient additional financing in near term

Uncertainties associated with obtaining and enforcing our patents and with the patent rights of others

Our selection and licensing of product candidates

Technological change and competition

Our ability to attract collaborative partners and other third parties with acceptable development, regulatory and commercialization expertise

Our ability to form and maintain collaborative relationships, including those relating to the development and commercialization of our product candidates

Other risks identified in Alteon's filings with the Securities and Exchange Commission

Actual results, events or performance may differ materially. Alteon undertakes no obligation to publicly release the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

**Diabetes and Cardiovascular Synergy:  
Merging Alteon and HaptoGuard**

Deal Parameters

Technology Synergies

New Management Team

New Members of the Board

Renegotiated Agreement and Rights Granted to  
Genentech

Small Transitional Financing

Detailed View of the Post-Merger Cardiovascular Product Pipeline

New Eyes on Alteon's Alagebrium: CHF Patients With  
Diastolic Dysfunction (Chronic)

Introducing HaptoGuard's ALT-2074: A Pharmacogenomic  
Approach to Post-MI M/M Reduction (Acute)

**Diabetes and Cardiovascular Synergy**

**Alteon**

**HaptoGuard**

**Focus on novel  
therapeutics for  
cardiovascular  
aging and diabetic  
complications**

**Focus on novel  
therapeutics for  
inflammation in  
cardiovascular  
disease and diabetes**

**Alteon/HaptoGuard: Synergistic Technologies  
With Two Phase 2 Compounds**

A new company with a promising product pipeline focused on:

ALT-2074, HaptoGuard's lead compound, a glutathione peroxidase mimetic in development for reduction of mortality in post-myocardial infarction patients with diabetes.

Alagebrium chloride (formally ALT-711), Alteon's lead compound, an Advanced Glycation End-product Crosslink Breaker being developed for heart failure in diabetics with diastolic dysfunction.

**Alteon/HaptoGuard: A “Transforming Transaction”**

**A** acquires all  
outstanding **H** equity

**H** receives \$5.3m

**A** common shares  
(~22.5m)

**G** receives milestones  
and royalties on  
alagebrium

**G** receives ~13.5m

**A** common shares  
upon conversion of

**A** preferred stock

**G** returns remaining  
preferred stock, which  
is cancelled

**A**

**H**

**G**

**A** sells 10.3 million  
units of common stock  
and warrants for ~\$2.5m

**G** receives right of 1<sup>st</sup>  
negotiation to **H** lead  
compound

**H** receives **A** preferred  
stock held by **G** valued  
at \$3.5m (= ~14.9m **A**  
common shares)



**Alteon/HaptoGuard: “The Deal”**

**A** acquires all  
outstanding **H** equity

**H** receives \$5.3m

**A** common shares  
(~22.5m)

**A**

**H**

**G**

**A** sells 10.3 million  
units of common stock  
and warrants for ~\$2.5m

**G** receives right of 1<sup>st</sup>  
negotiation to **H** lead  
compound

**H** receives **A** preferred  
stock held by **G** valued  
at \$3.5m (= ~14.9m **A**  
common shares)

**G** receives milestones  
and royalties on  
alagebrium

**G** receives ~13.5m

**A** common shares  
upon conversion of  
**A** preferred stock

**G** returns remaining  
preferred stock, which  
is cancelled

**Post-Merger Management Team**

Upon shareholder approval, Alteon's new management team will be as follows:

**Kenneth I. Moch, Chairman**

*Currently Chairman, President & CEO of Alteon*

**Noah Berkowitz, M.D., Ph.D., President & CEO**

*Currently President & CEO of HaptoGuard*

**Malcolm MacNab, M.D., Ph.D., Vice President of Clinical Development**

*Currently Chief Medical Officer of HaptoGuard*

**Howard B. Haimes, Ph.D, Executive Director, Preclinical Science**

*Currently Executive Director, Preclinical Science of Alteon*

**Post-Merger Board of Directors**

From Alteon's Current Board:

**Kenneth I. Moch, Chairman - Director of Alteon since December 1998**

*President & CEO, Alteon; President & CEO, Biocyte Corporation; Mng.General Partner, Catalyst Ventures; VP, The Liposome Company*

**Marilyn G. Breslow - Director of Alteon since June 1988**

*Former President/Analyst, W.P. Stewart; General Partner, Concord Partners; VP, Dillon, Read & Co.; Polaroid Corp.; Peat Marwick*

**Thomas A. Moore - Director of Alteon since October 2001**

*Former President & CEO, Biopure; President & CEO, Nelson Communications; President, Procter & Gamble's Worldwide Prescription and OTC Healthcare Products*

**George M. Naimark, Ph.D - Director of Alteon since June 1999**

*President, Naimark & Barba; President, Naimark & Associates*

From HaptoGuard's Current Board:

**Noah Berkowitz, M.D., Ph.D. - Director of HaptoGuard since November 2003**

*President & CEO, HaptoGuard; VP Clinical Development, IMPATH; Founder, Physician Choice*

**Mary Tanner - Director of HaptoGuard since January 2004**

*Principal and Founder, Life Sciences Partners; Senior Managing Director, Bear Stearns; Managing Director, Lehman Brothers*

**Wayne P. Yetter - Director of HaptoGuard since August 2004**

*CEO Verispan; President and CEO, Odyssey Pharmaceuticals; Chairman & CEO, Synavant; CEO Astra Merck; Executive at Pfizer, Merck, Novartis, IMS*

**Alteon Pro-forma Capitalization**

**Current Alteon Shares Outstanding**

<b>(including 4/06 Financing)</b>	<b>68.3</b>	
<b>Genentech Common Shares upon     partial preferred stock conversion</b>	<b>13.5</b>	
<b>HaptoGuard Shares</b>		
<b>From Genentech (=\$3.5 million)</b>	<b>14.9</b>	
<b>From Alteon (=\$5.3 million)</b>	<b>22.5</b>	
<b>Total Shares Outstanding</b>	<b>119.2</b>	
<b>Current Warranting</b>		<b>11.5</b>
<b>New Financing Warrants</b>	<b>10.3</b>	
<b>Fully Diluted Shares</b>	<b>141.0</b>	
<b><u>Shares (Millions)</u></b>		

**The Post-Transaction Alton**

Multi-product cardiovascular pipeline with focus  
on patients with diabetes

Two distinct NCE's in Phase 2 clinical trials

Additional management with highly complementary  
cardiovascular/diabetes expertise

New Board members with extensive pharma and financing  
expertise

Genentech overhang eliminated

New financing bridging towards shareholder vote

**Proposed Transaction Calendar  
Financing**

**Mid-April 2006**  
*Complete*

**Proxy Filed**            **May 2006**  
**SEC Review**        **May-June 2006**  
**Shareholder**  
**Vote**

**3Q 2006**

**Post-Transaction Development Pipeline: Two Phase 2**

**Cardiovascular Compounds Plus Pipeline**

**Preclinical**

**Phase 1**

**Phase 2**

**Phase 3**

**NDA**

**Development Drugs/Indications**

**Alagebrium**

**Alagebrium**

**Alagebrium**

**ALT-2074**

**AGE Breakers**

**GPx Mimetics**

**Discovery**

**2<sup>nd</sup> Generation**

**Chronic Heart Failure**

**Nephropathy**

**Retinopathy**

**Acute Coronary Syndrome**

**Other**

\*

\*

\*Based on outcome of preclinical studies, may go directly to Phase 2

**Segmenting Large Markets:**

**Cardiovascular Complications of Diabetes**

-- Addressing Multi-billion Dollar Markets --

**25- 44%**

**of Diabetic**

**Patients**

**Prevalence:**

**~5 Million (U.S.)**

**20-30%**

**Diabetic**

**Patients**

**Prevalence:**

**~13.9 Million (U.S.)**

**> \$5 BILLION/YEAR**

**(Worldwide Estimate)**

Sources: AHA; National Quality Measures Clearing House; Analyst Estimates

**Alagebrium**

**Chronic Heart Failure**

**ALT-2074**

**Acute Coronary Syndrome**

**> \$10 BILLION/YEAR**

**(Worldwide Estimate)**

**Mechanism**

**Markets**

**Management**

**Deal**

**Synergy**



**“The possibility of widespread coronary inflammation has important implications for research and therapy. It challenges the widely accepted hypothesis that a single vulnerable plaque is responsible for the development of coronary instability.”**

**July 2002: Widespread Coronary Inflammation in Unstable Angina**

**“Epidemiological and clinical studies have shown strong and consistent relationships between markers of inflammation and the risk of future cardiovascular events.”**

**2004: Inflammation as a Cardiovascular Risk Factor  
Circulation, Journal of the American Heart Association**

**“The physiological processes of thrombosis and inflammation should not be viewed in isolation because they greatly influence each other.”**

**April 2005: New Links Between Inflammation and Thrombosis  
Arteriosclerosis, Thrombosis, and Vascular Biology, Journal of  
the American Heart Association**

**“ In addition, glycation of LDL and other lipoproteins is quite common in diabetes, thus making the lipoproteins of diabetic patients more susceptible to oxidation and more atherogenic.”**

**Feb. 2006: Atherothrombosis, Inflammation and Diabetes**

**Sept. 2001: Role of Inflammatory Biomarkers in  
Prediction of Coronary Heart Disease**

**“Early atherosclerosis has an inflammatory component characterized by leucocytic infiltration of the vascular endothelial wall.”**

**Inflammation in Chronic Heart Failure  
and Acute Coronary Syndrome**

**The Lancet**

**Related Therapeutic Areas**

**Different Mechanisms of Action**

**Alagebrium**

Targets Advanced Glycation

End Products (A.G.E.s)

Alagebrium breaks A.G.E.

Crosslinks

Restores structure and

function of tissues

**ALT-2074**

Lipid peroxides cause

inflammation

ALT-2074 metabolizes

lipid peroxides

Treats acute ischemic

injury

**A.G.E.s Induce Inflammation  
Results in Expression  
of Growth Factors and  
Cytokines**

**IL-1**

**TNF**

**TGF $\beta$**

**NF $\beta$**

**eNOS**

**Resulting Pathologies:**

**Vascular Stiffening**

**Chronic Heart Failure**

**Nephropathy**

Source: Diabetes, Brownlee,

Vol. 54, June 2005

**Intracellular protein glycation**

**AGE precursors**

**Glucose**

**Matrix**

**Intracellular transducers**

**Transcription factors**

**Glucose**

**DNA**

**Transcription**

**AGE**

**receptor**

**AGE**

**plasma**

**proteins**

**AGE**

**receptor**

**ROS**

**NF- $\beta$**

**Macrophage**

**mesangial cell**

**mRNA**

**Proteins**

**Integrins**

**Endothelial cell**

**RNA**

Impaired filling (elevated atrial pressures)

Normal or impaired ejection fraction

30-50% of all heart failure cases

70% of elderly heart failure patients

*No current therapy available*

Alagebrium reverses ventricular and aortic stiffening associated with diastolic dysfunction

Diastolic dysfunction in heart failure:

Source: William H. Luer, M.D.

Tulane School of Medicine

**Rationale For Alagebrium in Heart Failure**

**Key Clinical Findings for Alagebrium  
in Heart Failure**

Meaningful reduction in left  
ventricular mass ( $p=0.036$ ), in  
unprecedented timeframe

Marked improvement in initial  
phase of left ventricular diastolic  
filling ( $p=0.045$ )

Statistically significant  
improvements in multiple QOL  
measurements ( $p < 0.01$ )

Sickest patient population (class  
III heart failure) benefited most

Source: Kitzman, Zile, et al; Presented as Poster at Society  
of Geriatric Cardiology Annual Meeting, 2003

\*Distensibility Improvement and  
Remodeling in Diaastolic Heart Failure  
**DIAMOND Study**

Source: Thohan, Koerner, et al; Presented as Poster at the  
American Heart Association Annual Meeting, 2005

Patients with Impaired Ejection Fraction and  
Diaastolic Dysfunction: Efficacy and  
Safety Trial of Alagebrium

**PEDESTAL Study**

Improvements observed for:

Diastolic function (E/A, DT,  
IVRT)  
Hemodynamics (LAP, PASP)  
LV remodeling (LAV, LVEDV,  
LV mass)  
NYHA score

No alterations in heart rate, blood  
pressure or physical exam

**Alagebrium: A Novel “Therapeutic  
Remodeling” Agent**

Breaks A.G.E. Crosslinks

Phase 1 and 2 clinical trials in >1000 patients:

Safe and well tolerated

Encouraging Phase 2 data in CHF in 45 patients

Our Strategy:

Chronic heart failure indication

Diabetic patients only

HaptoGuard diagnostic test identifies highest risk  
diabetic patients

**Alagebrium: Phase 2b Study in High Risk  
Diabetic Patients With Diastolic Heart Failure**

Type Placebo Control, 3 arm  
Screened with HaptoGuard  
Test

# of Patients 200

Initiate 4Q 2006/1Q 2007

Duration 6 months dosing

First Interpretable Q1 2008

Results

Centers 20; U.S.; Target max 9 month  
accrual

Endpoints Cardiac function, mass and  
pressure, clinical endpoints

Source: Adapted from Pak H. Chan, J. Cereb Blood Flow Metab. Vol 22, No. 1, 2001

**HaptoGuard Focus: Lipid**

**Hydroperoxides in Cardiovascular Diseases**

**Oxidized lipid peroxides stimulate multiple pathological inflammatory and metabolic pathways**



**HaptoGuard's Lead Compound**

**Metabolizes Oxidized Lipids**

Orally Dosed Phase 2 Small Molecule

>50 patients in Phase 1 & 2 - anti-inflammation  
indication

Novel Anti-Inflammatory Mechanism of Action

Glutathione Peroxidase (GPx) Mimetic

Metabolizes Lipid Peroxides

Decreases over-expression of key cytokines and messengers

Rapid Action

Restores Function

Acute, ischemia-reperfusion protection *without* hemodynamic  
instability

**Source: Diabetes 2005; 54: 2802-2806**

**HP 1-1**

**HP 2-2**

**Haptoglobin Typing Predicts Clinical Event Rate**

**Obvious Consequences for Clinical Trials**

**Haptoglobin Type and 30 Days Post MI Events in Diabetics**

**HP 1-1**

**HP 2-2**

**1-1**

**1-1**

**2-2**

**2-2**

**ALT-2074 Reduces MI Size in Hp 2-2 DM Mice**

Mouse model for ischemia  
reperfusion injury  
(controlled heart attack)

High risk diabetic mice,  
genetically engineered to  
model the human  
condition

Occlusion of the coronary  
artery followed by  
restoration of blood flow

Infarcts are represented  
as Infarct Area/Area at  
risk

0.5mg/kg to 5mg/kg of  
ALT-2074 yielded similar  
results

**Approximately an 85% reduction in infarct size following  
a single oral administration of ALT-2074**

n=13 in each group

P=0.001

0  
5  
10  
15  
20  
25  
30  
35  
40  
45  
50

Placebo

ALT-2074

Type	Placebo-controlled, 2 arm
Initiated	May 1, 2006
First Interpretable Results	Q4 2006
# of Patients	60
Duration	5 days
Centers	5-10; Israel, Czech Republic
Endpoints	Myocardial Damage (CK leak) Holter, clinical events

**ALT-2074: Phase 2 Study in  
High Risk Diabetic Patients Undergoing PCI**

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Type	Placebo Controlled, 3-4 arm
Initiate	Q3 2006
First Interpretable Results	Q1 2007
# Patients	60-80
Duration	28 days
Centers	1-2; U.S.
Endpoints	Safety and Dose Dependent Changes in Inflammatory Markers

**Status at Q1 2007 - Increased safety database; dose of Phase 2b will be guided by anti-inflammatory marker results**  
**ALT-2074: Multi-Dose Phase 2 Study in High Risk Diabetic Patients**

**Anticipated 2006 Milestones**

**Q1 2006 ALT-2074 - ACC Presentation of Proprietary  
Animal Model - *Completed***

**Q2 2006 ALT-2074 - Initiate Phase 2 Study on Cardiac  
Protection Following Angioplasty in ACS  
Patients -*Initiated May 1, 2006***

**Q3 2006 ALT-2074 - Initiate Phase 2 Anti-inflammatory  
Biomarker Trial**

**Q4 2006/  
Q1 2007 Alagebrium - Initiate Phase 2b CHF Trial**

**Q1 2007**

**Q4 2006 ALT-2074 - Post Angioplasty Trial Results**

**Q1 2007 ALT-2074 - Anti-inflammatory Biomarker  
Trial Results**

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**TM**

***“The Anti-A.G.E.ing Company”***