

ALTEON INC /DE
Form 425
May 16, 2006

**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)

Delaware	001-16043	13-3304550
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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))

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.

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.

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

Kenneth I. Moch
President and Chief Executive Officer

This presentation is copyright ©2006 by Alteon Inc.

Any duplication, use or distribution of this presentation is strictly prohibited without prior written authorization from Alteon Inc.

This presentation is copyright ©2006 by Alteon Inc.

Any duplication, use or distribution of this presentation is strictly prohibited without prior written authorization from Alteon Inc.

ALTEON

“The Anti-A.G.E.ing Company”

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

Rodman & Renshaw 3rd 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 1st
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 1st
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

(including 4/06 Financing) 68.3

Genentech Common Shares upon
partial preferred stock conversion 13.5

HaptoGuard Shares
From Genentech (=\$3.5 million) 14.9

From Alteon (=\$5.3 million) 22.5

Total Shares Outstanding 119.2

Current Warrants and Options 11.5

New Financing Warrants 10.3

Fully Diluted Shares 141.0

Shares (Millions)

The Post-Transaction Alteon

- 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 **3Q 2006**
Vote

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

2nd 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 β

NF β

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- β

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**

Edgar Filing: ALTEON INC /DE - Form 425

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/* 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**

ALTEON

This presentation is copyright 2006 by Alteon Inc.

Any duplication, use or distribution of this presentation is strictly prohibited without prior written authorization from Alteon Inc.

6 Campus Drive

Parsippany, NJ 07054

Tel: (201) 934-5000

Fax: (201) 934-8880

AMEX: ALT

www.alteon.com

TM

“The Anti-A.G.E.ing Company”