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:

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

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

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

o 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

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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 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
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
TGFß
NFß
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-ß
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 Diastolic 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 Diastolic 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 Results	Q1 2008
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

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**

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

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

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