DISCOVERY PARTNERS INTERNATIONAL INC
Form 425
April 24, 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.

This filing relates to the Agreement and Plan of Merger and Reorganization, dated as of April 11, 2006 (the Merger Agreement), by and among Discovery Partners International, Inc. (DPI), Darwin Corp. and Infinity Pharmaceuticals, Inc. (Infinity). The Merger Agreement was attached as Exhibit 1.1 to a Form 8-K filed by DPI with the SEC on April 12, 2006, and is incorporated by reference into this filing.

DPI and Infinity gave the following presentation in San Francisco, California on April 24, 2006.

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Link to searchable text of slide shown above

Searchable text section of graphics shown above

[LOGO]

[GRAPHIC]

Reverse Merger Proposal

Infinity Pharmaceuticals
and

Discovery Partners International
(Nasdaq: DPII)

April 24, 2006

Michael C. Venuti, Ph.D.

Acting Chief Executive Officer

Discovery Partners International

(Nasdaq:DPII)

[LOGO]

Forward-Looking Statement

This release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding the proposed transaction, Discovery Partner International s (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, DPI s deployment of its resources and ability to engage in strategic transactions or divest its various business units, the efficacy, safety, and intended utilization of Infinity s product candidates, the conduct and results of discovery efforts and clinical trials, and plans regarding regulatory filings, future research and clinical trials and plans regarding current and future collaborative activities. Factors that may cause actual results to differ materially include the risk that DPI and Infinity may not be able to complete the proposed transaction, the risk that Infinity s product candidates and compounds that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in clinical trials, the risks associated with reliance on collaborative partners for further clinical trials and other development activities, risks involved with development and commercialization of product candidates, the risk that DPI may be unable to divest itself of or otherwise transfer ownership of some or all of its business units on satisfactory terms or at all, the risk that DPI s net cash at closing will be lower than currently anticipated, and risks and other uncertainties more fully described in DPI s annual report on Form 10-K for the year ended December 31, 2005 as filed with the Securities and Exchange Commission and DPI s other SEC reports. You are urged to consider statements that include the words may, will, would, could, should, believes, estimates, projects, potential, expects, plans, anticipates, intends, continues, forecast, designed, goal, or the negative of those words or other comparable words to be uncertain and forward-looking. The transaction is subject to customary closing conditions, including approval of DPI s and Infinity s stockholders.

Any forward-looking statements are made pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, speak only as of the date made. DPI undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Who we are

Discovery Partners (Nasdaq: DPII)

Fee-for-service discovery research: chemistry, biology

Pharma and biotech customers

Public company since 2000

$80 million in cash, no debt

Why Merge?

DPI 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

Why Infinity?

Thorough evaluation

Top-tier private company

Multiple near-term value driving events

Ongoing clinical trials

Pipeline

Partnerships

Management that has discovered drugs and built companies

Create a security with market-recognized value

Steven Holtzman

Chairman, Chief Executive Officer

Infinity Pharmaceuticals

Why Merge?

Infinity rationale

Cost-effective, timely access to capital

Clinical trial / preclinical pipeline funding

Generate efficacy data on lead product candidate, IPI-504

Accelerate and expand Infinity pipeline

Snapshot of Post-Merger Infinity

Lead clinical product in two ongoing Phase 1 cancer studies

Phase 2 expected in 2006

Pipeline of preclinical cancer drug candidates

Internally discovered and developed, chemistry platform

4 Pharma/Biotech corporate alliances

Amgen, J & J and Novartis (2)

Cash *pro forma* Q1: $100 million

Proven biotech leadership

Making Cancer a Chronic Disease

Strategy

Drug targets that are well-credentialed, but not well-trodden

First- or best-in-class medicines

Fastest path to registration

Selective strategic alliances to maximize value, retaining significant product rights

Leverage Infinity s small molecule technologies

A culture and community maximally conducive to innovation

Product Pipeline: One IND Filing per Year

	Discovery	Preclinical	IND Filing	Clinical Trials
IPI-504 (Hsp90)			**2005**	**Phase I ongoing Phase II 2H/2006**
IPI-609 (Hedgehog)			**2006**	
Bcl2/Bcl-xL			**2007**	
Additional Targets			**2008 forward**	

Product Pipeline: One IND Filing per Year

	Discovery	Preclinical	IND Filing	Clinical Trials
IPI-504 (Hsp90)			**2005**	**Phase I ongoing Phase II 2H/2006**
IPI-609 (Hedgehog)			**2006**	
Bcl2/Bcl-xL			**2007**	
Additional Targets			**2008 forward**	

Lead Clinical Product: IPI-504

Best-in-class Hsp90 Inhibitor

[GRAPHIC]

Broad activity, multiple cancers

Large therapeutic window

Single agent activity

Synergy in combination

Activity in resistant settings

2nd generation oral formulation under development

IPI-504: Broad Market Potential

	Indications
Hematologic malignancies	**Multiple Myeloma (MM)**
	Chronic Myelogenous Leukemia (CML)
	Acute Myelogenous Leukemia (AML)
	Non-Hodgkin s Lymphoma (NHL)
Solid tumors	**Gastrointestinal Stromal Tumors (GIST)**
	Breast cancer (HER2+)
	Non-small cell lung cancer (NSCLC)
	Renal cell carcinoma
	Malignant Melanoma
	Hormone Refractory Prostate cancer (HRPC)

IPI-504: Clinical Plan

Phase 1

Multiple myeloma

GIST

Combinations

Phase 2

MM / GIST

Other indications

[CHART]

Heat Shock Protein 90 (Hsp90)

Emerging cancer target

Stabilizes proteins in functional conformations

Two roles in cancer

<u>Generally</u>: Maintaining protein homeostasis in cancer cells

<u>Specifically</u>: Stabilization of key oncoproteins, including drug-resistant ones

[GRAPHIC]

Targeted Cancer Therapies

New Frontier

	Molecular Target	Targeted therapy	Indication
Hematologic	**NF-KB**	**Velcade**	**Myeloma**
	Bcr-Abl	**Gleevec / Dasatinib**	**CML**
	Flt3	**Investigational**	**AML**
	c-Kit	**Gleevec / Sutent**	**GIST**
	HER2	**Herceptin**	**Breast (HER2+)**
Solid tumor	**EGFR**	**Tarceva / Erbitux**	**NSCLC**
	VEGFR / HIF-1a	**Sorafenib / Sutent**	**Renal cell**
	b-Raf	**Sorafenib**	**Melanoma**
	p-Akt	**Investigational**	**Prostate (PTEN -/-)**

	Molecular Target	
Hematologic	**NF-KB** **Bcr-Abl** **Flt3**	**All are Hsp90 clients**
Solid tumor	**c-Kit** **HER2** **EGFR** **VEGFR / HIF-1a** **b-Raf** **p-Akt**	**Inhibiting Hsp90 affects the stability of these targets**

Hsp90: Potential Universal Salvage Therapy

Disease	Hsp90 Client	Drug	Kinase Inhibitor Resistance Mutation	
CML	**BCR-ABL**	**Gleevec, Dasatinib**	**T315I**	
				Highly responsive to Hsp90 inhibition
GIST	**KIT**	**Gleevec, Sutent**	**T670I**	
				Alternative to chasing mutations
NSCLC	**EGFR**	**Iressa, Tarceva**	**T790M**	

Oral IPI-504: Survival Benefit

Gleevec-resistant T315I

CML transplantation model

[CHART]

Collaboration:

Shauguang Li, Jackson Labs

[CHART]

[CHART]

IPI-504: Clinical Milestones for 2006

Phase 1 MM trials: complete

Phase 1 GIST trial: complete

Phase 2 MM and/or GIST trial: initiate

Additional potential indications and milestone events

Phase 1 combination studies (*e.g.* Taxotere, Velcade, Gleevec)

Additional Phase 2 studies (*e.g.* NSCLC, CML, CLL)

Product Pipeline: One IND Filing per Year

	Discovery	Preclinical	IND Filing	Clinical Trials
IPI-504 (Hsp90)			**2005**	**Phase I ongoing Phase II 2H/2006**
IPI-609 (Hedgehog)			**2006**	
Bcl2/Bcl-xL			**2007**	
Additional Targets			**2008 forward**	

IPI-609: Most Advanced Preclinical Candidate

Potent hedgehog pathway inhibitor

Expected first-in-class systemic hedgehog inhibitor

Proprietary NCE

Oral product

Broad anti-cancer potential

Strong data supporting pancreatic, metastatic prostate, SCLC, others

Single agent activity

Potential for synergy with standards of care

IPI-609: Clinical Plan

2005	2006	2007	2008
IND-enabling studies	***F I L E I N D***	**Clinical development**	
		Phase I	**Phase II**
Pharmacology **GLP toxicology** **Manufacturing**		**Pancreatic** **SCLC** **Met Prostate, etc.** **Heme malignancies**	**Single or combo**
			Phase II or III **Registration trial**

IPI-609: Preclinical Efficacy Rationale

PC3 prostate cancer xenograft

[CHART]

27

Hedgehog Pathway: Broad Rationale in Solid Tumors

Human tumor biopsy data

State	Pathway activation
Normal	**OFF**
Basal cell carcinoma(1),(2)	**ON**
Medulloblastoma(3)	**ON**
Pancreatic cancer(4),(5),(6)	**ON**
Prostate cancer(7),(8)	**ON**
Small cell lung cancer(9)	**ON**
Hepatocellular cancer(10)	**ON**
Breast Cancer(11)	**ON**

(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

Product Pipeline: One IND Filing per Year

	Discovery	Preclinical	IND Filing	Clinical Trials
IPI-504 (Hsp90)			**2005**	**Phase I ongoing Phase II 2H/2006**
IPI-609 (Hedgehog)			**2006**	
Bcl2/Bcl-xL			**2007**	
Additional Targets			**2008 forward**	

Bcl-2 / Bcl-xL Antagonists: Opportunities

Therapeutic Applications

Bcl 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

30

Bcl: Lead Compounds from DOS

Infinity s Small Molecule Technology

Product profile	**Bcl-2 (Ki)**	**Bcl-xL (Ki)**	
Bcl-2 Selective	**65 pM**	**100 nM**	>1,000x selectivity
Dual selective	**1.1 nM**	**6 nM**	

Bcl: 2006 Novartis Alliance

ACTIVITIES	FINANCIALS	
Joint discovery (led by Infinity)	**Upfront & near term committed**	**$30M**
Joint development (led by Novartis)	**Total potential payments**	**>$400M**
Worldwide marketing by Novartis with Infinity US co-promotion	**Royalties on WW sales**	

[LOGO]

Accelerates, expands value creation

DOS Technology Alliances: Small Molecules

[LOGO] [LOGO] [LOGO]

Diversity Oriented Synthesis (DOS)

2004 2006: > $60 million upfront/committed cash

Non-dilutive capital and capability expansion

Additional milestone and royalty potential

No license of proprietary Infinity product rights

[GRAPHIC] [GRAPHIC] [GRAPHIC]

Pipeline & Partnerships

Ownership of most advanced candidates retained

	Discovery	Preclinical	IND Filing	
IPI-504 (Hsp90)			**2005**	**100% owned**
IPI-609 (Hedgehog)			**2006**	**100% owned**
Bcl2/Bcl-xL			**2007**	**Novartis**
	Small molecule drug technologies			**Non-exclusive** **Amgen** **Novartis** **J&J**

Leadership: Combined Company

Mr. Steven Holtzman, Chairman & CEO
Millennium, DNX

Dr. Julian Adams, President & CSO
Millennium, ProScript

Boehringer Ingelheim, Merck

Ms. Adelene Perkins, EVP & 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 Dev/Med 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 & Product Dev
McKinsey & Co, Harvard Center for Genomics Research

Dr. Jim Wright, VP Pharm Dev
Millennium, Alkermes, Boehringer Ingelheim, U. of Wisconsin

Projected Board of Directors: Combined Company

Steven Holtzman, Chairman	**Infinity Pharmaceuticals, Inc**
Ron Daniel	**McKinsey & Co. (former Managing Partner)**
Dr. Tony Evnin	**Venrock Associates**
Dr. Eric Lander	**Director Broad Institute, Whitehead, MIT**
Patrick Lee	**Advent Venture Partners**
Dr. Arnold Levine	**Institute for Advance Study**
Dr. Frank Moss	**Director MIT Media Lab; Founding CEO Tivoli**
Dr. Vicki Sato	**Former Vertex and Biogen**
Dr. James Tananbaum	**Prospect Venture Partners**
Dr. Michael Venuti	**Discovery Partners, Celera**
Mr. Harry Hixon	**BrainCells, Amgen**
Mr. Herm Rosenman	**Gen-Probe**

Infinity s Financial and Pharmaceutical Investors

Prospect Venture Partners

Venrock Associates

Advent Venture Partners

HBM BioVentures

Vulcan Ventures

Wellcome Trust

POSCO BioVentures

Tallwood

Alexandria Equities

Lotus BioScience

Amgen

Novartis

J&J

The Merger: Next Steps

Key Merger Terms

A financing event

DPI invests cash and divests operating units

If DPI cash between $70M and $75M, ownership:

DPI shareholders = 31%

Infinity shareholders = 69%

If cash above $75M or below $70M, adjustment applied

Merger Timetable

Approval of both companies BOD	ý
Public announcement of transaction	ý
File S-4	***By Mid-May***
SEC comment period	***By Late June***
Joint proxy statement / prospectus to DPI, Infinity stockholders	***By Mid-July***
DPI, Infinity Stockholder votes	***By Mid-August***
If approved **DPI shares issued** **Infinity traded as public company**	***Following vote***

2006 News flow, Milestones and Goals

	Status
Product Pipeline	
IPI-504: Complete Phase 1s	
IPI-504: Initiate Phase 2	
IPI-609: File IND in 2006	
Pipeline: New INDs / programs for 2007+	
Successful alliance execution (Novartis, J&J, Amgen)	
At least one new corporate alliance	**ý**
Financing event: Approved merger	**pending**
Year-end cash runway: ≥ 12-24 months	

[LOGO]

www.IPI.com

Forward Looking Statements

This filing contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding the proposed transaction, DPI s 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, DPI s deployment of its resources and ability to engage in strategic transactions or divest its various business units, the efficacy, safety, and intended utilization of Infinity s product candidates, the conduct and results of discovery efforts and clinical trials, and plans regarding regulatory filings, future research and clinical trials and plans regarding current and future collaborative activities. Factors that may cause actual results to differ materially include the risk that DPI and Infinity may not be able to complete the proposed transaction, the risk that Infinity s product candidates and compounds that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in clinical trials, the risks associated with reliance on collaborative partners for further clinical trials and other development activities, risks involved with development and commercialization of product candidates, the risk that DPI may be unable to divest itself of or otherwise transfer ownership of some or all of its business units on satisfactory terms or at all, the risk that DPI s net cash at closing will be lower than currently anticipated, and risks and other uncertainties more fully described in DPI s annual report on Form 10-K for the year ended December 31, 2005 as filed with the Securities and Exchange Commission and DPI s other SEC reports. You are urged to consider statements that include the words may, will, would, could, should, believes, estimates, projects, potential, expects, plans, anticipates, intends, designed, goal, or the negative of those words or other comparable words to be uncertain and forward-looking. The transaction is subject to customary closing conditions, including approval of DPI s and Infinity s stockholders.

Any forward-looking statements are made pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, speak only as of the date made. DPI undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information about the Merger and Where to Find It

In connection with the proposed transaction described herein, DPI will file a registration statement on Form S-4 that contains a proxy statement/prospectus with the SEC. **Investors and security holders of DPI and Infinity are urged to read the proxy statement/prospectus (including any amendments or supplements to the proxy statement/prospectus) regarding the proposed transaction when it becomes available because it will contain important information about DPI, Infinity and the proposed transaction.** Security holders will be able to obtain a copy of the proxy statement/prospectus, as well as other filings containing information about DPI and Infinity,

without charge, at the SEC s Internet site (http://www.sec.gov). Copies of the proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the proxy statement/prospectus, if any, 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

DPI 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 DPI in connection with the proposed transaction. Information regarding the special interests of these directors and executive officers in the merger transaction will be included in the proxy statement/prospectus referred to above. Additional information regarding the directors and executive officers of DPI is also included in DPI s 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 (www.sec.gov) and from Investor Relations at DPI at the address described above.