PHARMION CORP
Form 424B5
May 11, 2007

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Filed Pursuant to Rule 424(b)(5)
A filing fee of $4,237, calculated in accordance with Rule 457(r), has been transmitted to the SEC in connection with the securities offered from the registration statement (File No. 333-142567) by means of this prospectus supplement.

Prospectus Supplement
(To Prospectus dated May 2, 2007)

4,000,000 Shares

Pharmion Corporation

Common Stock

We are offering 4,000,000 shares of common stock.

Our common stock is listed on the Nasdaq Global Market under the symbol PHRM . The last reported sale price of our common stock on the Nasdaq Global Market on May 10, 2007 was $30.50 per share.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-11 of this prospectus supplement.

	Per Share	Total
Offering price	$ 30.000	$ 120,000,000
Discounts and commissions to underwriters	$ 1.725	$ 6,900,000
Offering proceeds to Pharmion, before expenses	$ 28.275	$ 113,100,000

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

We have granted the underwriters an option to purchase up to 600,000 additional shares of common stock on the same terms and conditions as set forth above if the underwriters sell more than 4,000,000 shares of common stock in this offering. The underwriters can exercise this right at any time and from time to time, in whole or in part, within 30 days

after the offering. The underwriters expect to deliver the shares of common stock to investors on or about May 16, 2007.

Sole Book-Running Manager

Banc of America Securities LLC

Cowen and Company

Pacific Growth Equities, LLC

Friedman, Billings, Ramsey

HSBC

May 10, 2007

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You should rely only on the information contained or incorporated by reference in this prospectus or applicable prospectus supplement or free writing prospectus that we may authorize to be delivered to you. Incorporated by reference means that we can disclose important information to you by referring you to another document filed separately with the Securities and Exchange Commission, or SEC. We have not authorized anyone to provide you with different or additional information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. You should assume that the information in this prospectus or any prospectus supplement, as well as the information incorporated by reference herein or therein, is accurate only as of the date of the documents containing the information. Our business, financial condition, results of operations and prospects may have changed since those dates.

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Prospectus Supplement

Prospectus

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which gives more

general information, some of which may not apply to this offering. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information in this prospectus supplement shall control.

In this prospectus supplement and the accompanying prospectus, unless otherwise indicated, the terms Pharmion, we, us and our refer and relate to Pharmion Corporation and its consolidated subsidiaries.

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SUMMARY

This summary contains basic information about us, our common stock and this offering. Because this is a summary, it does not contain all of the information you should consider before investing in our common stock. You should carefully read this summary together with the more detailed information and financial statements and notes thereto contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. To fully understand this offering, you should read carefully all of these documents.

Our Business

We are a global pharmaceutical company that acquires, develops and commercializes innovative products for the treatment of hematology and oncology patients. We have established our own research, regulatory, development and sales and marketing organizations in the United States, the European Union and Australia. We have also developed a distributor network to reach the hematology and oncology markets in several additional countries throughout Europe, the Middle East and Asia.

We have established a portfolio of approved products and product candidates focused on the hematology and oncology markets. These include our primary commercial products, *Vidaza*® (azacitidine for injection), which we market and sell as an approved treatment for Myelodysplastic Syndromes, or MDS, in the U.S., Switzerland, Israel and the Philippines and *Thalidomide Pharmion 50mg*™ (Thalidomide Pharmion), a widely used therapy for the treatment of multiple myeloma and certain other forms of cancer, which we sell on a compassionate use or named patient basis in certain countries of Europe. Thalidomide Pharmion is approved in Australia, New Zealand, Turkey, Israel, South Korea and Thailand for the treatment of multiple myeloma after the failure of standard therapies.

We have submitted or expect to submit three marketing applications in 2007 seeking European marketing approval for certain of our product candidates. This includes Thalidomide Pharmion, which is the subject of a marketing authorization application, or MAA, that we submitted to the European Medicines Agency, or EMEA, for the treatment of untreated multiple myeloma in January 2007 and which was accepted for review by the EMEA in February 2007; satraplatin, for which we intend to submit an MAA for the treatment of second-line hormone refractory prostate cancer, or HRPC, during the second quarter of 2007; and Vidaza, which, pending the outcome of our ongoing Phase 3 trial evaluating survival and other response criteria in high-risk MDS patients, will be the subject of a third MAA targeted for submission in late 2007.

We believe that we are uniquely positioned in the field of epigenetics, a promising area of cancer research that examines reversible changes in gene regulation and that will remain a primary focus of our research and development activities. Both Vidaza, a deoxyribonucleic acid demethylating agent, and MGCD0103, a histone deacetylase, or HDAC, inhibitor, have demonstrated specific epigenetic effects on the regulation of gene expression. Research indicates that the combination of HDAC and DNA methyltransferase inhibitors may act synergistically to reverse tumor suppressor gene silencing and induce apoptosis (programmed cell death) in various cancers, and we have initiated clinical studies evaluating Vidaza and MGCD0103 as a combination therapy in hematological cancers. In addition, as research has shown that cancer cell resistance to cytotoxic drugs is often mediated by epigenetic mechanisms, we are currently conducting research on combinations of our epigenetic therapies, Vidaza and MGCD0103, with cytotoxic drugs, including our drug candidates satraplatin and, the most recent addition to our product portfolio, amrubicin.

As a part of our business strategy, we intend to continue to acquire or in-license rights to product candidates, including both pre-clinical and clinical compounds, and enter into research and development collaborations that fully exploit our

regulatory, development and commercial capabilities. In particular, we are focused on acquiring products for cancer patients that are synergistic with our existing product pipeline.

We had total net sales of $238.6 million in 2006, $221.2 million in 2005 and $130.2 million in 2004.

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Our Products and Product Candidates

The following table summarizes our principal products and product candidates and the status of development for each:

Product	Disease/Indication	Licensed Territory	Phase of Development
Vidaza® (azacitidine for injection)	MDS, other hematological malignancies and solid tumors	Worldwide	Approved in the U.S., South Korea, Switzerland, Israel and the Philippines; NDA supplement for IV administration approved by FDA in January 2007; Ongoing MDS Phase 3 survival study with top line data expected in 2007; Several ongoing Phase 1 and 2 trials in MDS, other hematological malignancies and solid tumors; Compassionate use and named patient sales ongoing in Europe.
Thalidomide Pharmion 50mg™	Multiple myeloma	All countries outside of North America and certain Asian countries	Approved in Australia, New Zealand, South Korea, Turkey, Israel and Thailand; European MAA for untreated multiple myeloma submitted in January 2007; Compassionate use and named patient sales ongoing in Europe.
Satraplatin	Second-line HRPC	Europe, Turkey, Middle East, Australia and New Zealand	Announced initial results of Phase 3 SPARC study; Intend to file European MAA for 2nd line HRPC in second quarter 2007; Survival data expected in 2007.

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Product	Disease/Indication	Licensed Territory	Phase of Development
Amrubicin	Small cell lung cancer, or SCLC; metastatic breast cancer	North America and Europe	Phase 2 studies in SCLC ongoing; Intend to commence Phase 3 study in SCLC in second half of 2007; Phase 2 combination study with Herceptin in metastatic breast cancer planned to initiate in 2007.
MGCD0103	Hematological malignancies, solid tumors	North America, Europe, the Middle East and certain other countries	Several Phase 1 and Phase 2 single agent and combination studies ongoing in hematological and solid tumors.
Oral azacitidine	Hematological malignancies, solid tumors	Worldwide	IND active in January 2007; Phase 1 study completed in April 2007 demonstrating oral bioavailability.

Vidaza® (azacitidine for injection) is a pyrimidine nucleoside analog that has been shown to reverse the effects of DNA hypermethylation and promote subsequent gene re-expression. We were granted an exclusive worldwide license to Vidaza by Pharmacia & Upjohn Company, now part of Pfizer, Inc., in June 2001. In 2004, we received full approval from the FDA for the treatment for all subtypes of MDS, a bone marrow disease that affects the production of blood cells. This was the FDA s first approval of a treatment for MDS and Vidaza was the first demethylating agent to be approved by the agency. We launched Vidaza for commercial sale in the U.S. in July 2004. Vidaza has been granted orphan product designation by the FDA, which entitles the drug to market exclusivity for MDS in the U.S. through May 2011. In January 2007, we announced that the FDA had approved our NDA supplement that expands the approved label to add IV administration instructions to the Vidaza prescribing information. IV administration provides an alternative administration method to the previously approved subcutaneous delivery of Vidaza.

In 2006, net sales of Vidaza were $142.2 million, which represented approximately 60% of our total net sales for 2006, compared with $125.6 million in 2005, or approximately 57% of our total net sales for 2005, and $47.1 million in 2004 (6 months only), or approximately 36% of total net sales for 2004.

We currently have an ongoing Phase 3 clinical trial examining the effect of Vidaza on the survival of high risk MDS patients as compared to treatment with best supportive care with or without a chemotherapy agent. Final top line survival data from this study is expected to be available in the third quarter 2007. Pending the outcome of the trial, we intend to use data generated in the study as the basis of a submission of an MAA to the EMEA in late 2007. We began

named patient and compassionate use sales of Vidaza in the fourth quarter of 2005 in the E.U. The EMEA granted Vidaza orphan product designation, which, if an MAA for Vidaza is approved, and the criteria for orphan drug designation continue to be met, would entitle the drug to ten years of market exclusivity from the date of MAA approval for the MDS indication in the E.U.

We are also exploring Vidaza s potential effectiveness in treating other cancers associated with hypermethylation. A significant number of ongoing Phase 2 studies examining the use of Vidaza as a single agent or in combination with other cancer therapies have been initiated by us and independent clinical investigators in AML and other hematological cancers as well as certain solid tumors. Interim results from Phase 1/2 studies evaluating Vidaza in combination with three different HDAC inhibitors were presented at the 48th Annual

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Meeting and Exposition of the American Society of Hematology (ASH) in December 2006, including interim results from a Phase 1/2 clinical study of Vidaza in combination with MGCD0103 in MDS and AML patients.

Thalidomide Pharmion 50mgtm (thalidomide) is an oral immunomodulatory and anti-angiogenic agent. We obtained commercialization rights to thalidomide from Celgene Corporation for all countries outside of North America and certain Asian markets in November 2001. Thalidomide has become a standard of care for the treatment of relapsed and refractory multiple myeloma, a cancer of the plasma cells in the bone marrow, and there is a now substantial body of data that demonstrates its benefit as a first-line treatment of this disease. We began selling thalidomide in Europe on a compassionate use or named patient basis under a comprehensive risk management program in the third quarter of 2003. Currently, we have an active MAA filed with the EMEA seeking full regulatory approval for this drug in Europe. However, until we receive a marketing authorization, we will not be permitted to market Thalidomide Pharmion in Europe. To date, Thalidomide Pharmion has been approved as a treatment for relapsed and refractory multiple myeloma in Australia, New Zealand, Turkey, Israel, South Korea and Thailand. In 2006, net sales of Thalidomide Pharmion were $77.5 million, which represented approximately 32% of our total net sales for 2006, compared with $79.4 million, or 36% of our total net sales for 2005, and $65.3 million in 2004, or approximately 50% of total net sales for 2004.

In January 2007, we announced the submission of an MAA with the EMEA seeking marketing authorization of Thalidomide Pharmion as a treatment for untreated multiple myeloma and, in March 2007, we announced that the EMEA had accepted our application for review. Our submission was based on a clinical data package comprised of four studies in more than 1,400 patients. These studies, which include both first-line and induction therapy, include the following:

IFM 99-06, a three-arm study conducted by the French research group, Intergroup Francophone du Myelome, which demonstrated the superiority of melphalan/prednisone plus thalidomide (MPT) over standard therapy of melphalan/prednisone (MP) alone or a combination of chemotherapies (vincristine/adriamycin/dexamethasone) followed by melphalan and stem cell transplantation (MEL 100). Following an interim analysis, recruitment was stopped on the recommendation of the study s Data Safety Monitoring Board. At final analysis, the median overall survival in the MPT arm was approximately 53.6 months, compared to 32.2 and 38.6 months, respectively, for the MP and MEL 100 arms.

A study conducted by the Italian research group Gruppo Italiano Malattie Ematologiche dell Adulto that demonstrated the superiority of MPT compared to MP alone. In the randomized study of MPT versus MP alone in 255 elderly patients, MPT had a superior response rate and a significantly higher two-year event-free survival rate (54% versus 27%).

MM-003, a Phase 3 randomized study of 470 patients, sponsored by Celgene and supported by us that compared thalidomide plus dexamethasone versus dexamethasone and placebo. In December 2005, an Independent Data Monitoring Committee reviewed the data as part of a pre-specified interim analysis and determined that the trial met the pre-specified efficacy stopping rule for the primary endpoint of time to disease progression. At the final analysis, there was also a significant (p=0.001) improvement in response rate of thalidomide plus dexamethasone of 69.4%, compared to dexamethasone and placebo of 51.1%. Of the thalidomide-treated patients, 43.8% experienced Very Good or Complete Response compared to 15.8% in the placebo arm (p<0.0001). Time to disease progression was 97.7 weeks in the thalidomide arm of the study versus 28.3 weeks in the placebo arm.

A Phase 3 study conducted by the Eastern Cooperative Oncology Group (ECOG) compared thalidomide plus dexamethasone to dexamethasone alone in over 200 patients. The study demonstrated a statistically significant difference in response rates of 61.6% versus 39.6% (p=0.001) at four months with thalidomide plus

dexamethasone compared to dexamethasone alone.

We believe that the data from these studies provides compelling evidence of thalidomide s efficacy in treating multiple myeloma patients. However, thalidomide s well-documented history of causing birth defects associated with its general and widespread use in the 1950 s and early 1960 s in Europe may delay or prevent an approval of our MAA for Thalidomide Pharmion. Given thalidomide s history, we commercialize Thalidomide

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Pharmion in our territories using a proprietary risk management and education program, that we call the Pharmion Risk Management Program, or PRMP. The PRMP is based upon Celgene s System for Thalidomide Education and Prescribing Safety (S.T.E.P.S.®) program, and certain proprietary rights controlled by Celgene relating to S.T.E.P.S. were licensed to us as part of our November 2001 agreements with Celgene. Today, thalidomide is available from several sources other than us, yet we believe that we are the only supplier that sells thalidomide in Europe with a comprehensive risk management program. We are working closely with regulators and patient and thalidomide victims groups to increase the awareness of the widespread availability of thalidomide and the need to regulate the supply of thalidomide in connection with a robust risk management program.

We have been granted orphan drug designation for Thalidomide Pharmion in Europe by the EMEA for the multiple myeloma indication, which, if the MAA is approved and the criteria for orphan drug designation continue to be met, would provide a ten-year period of exclusivity from the date of MAA approval. In addition, under the laws of most European countries, the import of unapproved product for sale on a named patient/compassionate use basis should only be allowed where there is no approved equivalent product available. Therefore, upon approval of Thalidomide Pharmion throughout Europe through the EMEA centralized procedure, the sale of thalidomide by other suppliers should no longer be permitted under national laws. However, we cannot be certain that the regulatory authorities or governments in all of the E.U. member states will enforce these existing laws to prevent the sale of other forms of thalidomide should Thalidomide Pharmion be approved in Europe.

Satraplatin is the only orally bioavailable platinum-based compound in advanced clinical development. In December 2005, we obtained commercialization rights to satraplatin from GPC Biotech AG for Europe, Turkey, the Middle East, Australia and New Zealand. In 2003, GPC Biotech initiated a Phase 3 registrational clinical trial called SPARC to evaluate satraplatin plus prednisone as a second-line chemotherapy treatment for patients with HRPC. In September 2006, we and GPC Biotech announced that the SPARC trial had achieved its primary endpoint of progression-free survival (PFS) demonstrating a statistically significant ($p<.00001$) 14% improvement in median PFS in patients who received satraplatin plus prednisone (11.1 weeks) compared to patients who received prednisone plus placebo (9.7 weeks). The SPARC trial also demonstrated that the PFS improvement in patients treated with satraplatin increased over time. PFS at the 75th percentile showed an 81% improvement for patients in the satraplatin arm (34.6 weeks) versus patients in the placebo arm (19.1 weeks). At six months, 30% of patients in the satraplatin arm had not progressed, compared to 17% of patients in the control arm. At twelve months, 16% of patients who received satraplatin had not progressed, compared to 7% of patients in the control arm. In addition, patients in the treatment arm experienced a 33% reduction in the risk of disease progression (corresponding to a hazard ratio of 0.67; 95% Confidence Interval: 0.57-0.77) compared with patients who received prednisone plus placebo. In accordance with the recommendation of the independent Data Monitoring Board for the SPARC trial, patients who have not progressed will continue to be treated, and all patients will be followed for overall survival.

We expect to submit an MAA with the EMEA in the second quarter of 2007 based upon this PFS data from the SPARC trial. PFS is a composite endpoint that determines when a patient s disease has progressed based upon a number of clinical criteria relevant to the disease state. Although both the EMEA and the FDA have accepted PFS as a suitable endpoint for some product approvals, in other cases regulatory authorities have indicated that only overall survival endpoints will be sufficient for the approval of some cancer therapy candidates. Earlier in 2006, the EMEA advised us it would accept the final analysis of PFS as a basis for an MAA submission for satraplatin, but that the submission must also include available overall survival data from the SPARC trial. Overall survival results are expected during the third quarter of 2007, during which time the submission is expected to be under active review.

In collaboration with our partner, GPC Biotech, we have initiated a development program to evaluate satraplatin in a wide range of tumors, either as monotherapy or in combination with other compounds.

Amrubicin* (*amrubicin hydrochloride) is a third-generation fully synthetic anthracycline. We obtained the right to develop and commercialize amrubicin in North America and Europe through our acquisition of Cabrellis Pharmaceuticals Corporation in November 2006. Cabrellis licensed these rights to amrubicin from

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Sumitomo Pharmaceuticals, now part of Dainippon Sumitomo Pharma Co. Ltd., in June 2005. Sumitomo synthesized and developed amrubicin in Japan, and attained full regulatory approval of amrubicin as a treatment for lung cancers in that country in 2002. Amrubicin s approval was based upon Phase 2 studies conducted in Japan that demonstrated clinical efficacy as a single agent. In previously untreated SCLC patients, amrubicin produced an overall response rate of 76% with median survival of 11.7 months when administered as a single agent. In Phase 2 studies of previously treated SCLC patients (sensitive or relapsed/refractory) conducted after Japanese approval, amrubicin as a single agent has shown overall response rates ranging from 46% to 53%, with median overall survival rates of 9.2 to 11.7 months. In a subsequent clinical trial evaluating amrubicin administered in combination with cisplatin in previously untreated SCLC patients, amrubicin produced an overall response rate of 88% and median survival was extended to 13.6 months. To date, however, there have been no completed clinical studies of amrubicin in patient populations outside of Japan. In order to confirm the results reported in these Japanese studies, we have initiated Phase 2 studies of amrubicin in SCLC. Pending the outcome of those studies, we intend to initiate a Phase 3 registration study before the end of 2007.

In addition, based on clinical experience with the product to date, including the active treatment of more than 6,500 patients in Japan, amrubicin appears to lack the cumulative cardiotoxicity associated with other anthracyclines. We believe that this makes amrubicin a very attractive agent to study in other cancers where older, cardiotoxic anthracyclines are currently used. For example, anthracyclines have established activity against breast cancer, but the cumulative cardiotoxicity of currently available anthracyclines limit their use with Herceptin®, a breast cancer drug marketed by Genentech, Inc. Accordingly, we intend to initiate a clinical study of amrubicin in metastatic breast cancer patients in combination with Herceptin during 2007. We cannot be certain that this study will yield positive results or that amrubicin will prove to have less cardiotoxicity than other anthracyclines.

MGCD0103 is an oral, isotype-selective, small molecule HDAC inhibitor. In January 2006, we obtained commercialization rights from MethylGene Inc. in North America, Europe, Middle East and certain other markets for MethylGene s HDAC inhibitor compounds, including MGCD0103 and MethylGene s pipeline of second-generation HDAC inhibitor compounds, for all oncology indications. MGCD0103 is the subject of a broad Phase 2 clinical development program where we, in collaboration with MethylGene, are evaluating the use of MGCD0103 in a variety of cancers where epigenetic factors play a role. Several clinical studies of MGCD0103 are currently underway, including Phase 1/2 combination studies of MGCD0103 and Vidaza in MDS and AML patients and MGCD0103 and Gemzar® in patients with solid tumors, and Phase 2 monotherapy studies of MGCD0103 in patients with relapsed or refractory lymphoma and relapsed or refractory Hodgkin s lymphoma.

In many cancerous tissues, through the activity of DNA methylation and histone deacetylation, tumor suppressor genes are silenced and not expressed. As a result, cell division becomes unregulated, causing cancer. HDAC inhibitors, such as MGCD0103, are believed to block histone deacetylation and allow tumor suppressor genes to re-express and inhibit cancer progression. MethylGene s research and observations suggest that only a subset of the known HDAC isoforms may be involved in cancer progression. MGCD0103 is selective for a specific class of HDAC isoform while many other HDAC inhibitors currently in clinical development are broad-spectrum inhibitors that target most or all of the HDAC isoform classes. We believe targeted and selective inhibition of cancer-related HDAC isoforms may lead to more effective and less toxic cancer therapies in contrast to broad-spectrum inhibition of HDAC isoforms.

Oral Azacitidine (azacitidine) is an oral formulation of Vidaza. Our oral azacitidine candidate was the result of our internal formulation efforts. We filed an IND for oral azacitidine at the end of 2006 and that IND became effective in late January 2007. In February 2007, we initiated a Phase 1 clinical study of oral azacitidine in patients with MDS, AML and malignant solid tumors that assessed the safety, tolerability, bioavailability and pharmacokinetics of escalating single doses of oral azacitidine. In April 2007, we announced that this initial Phase I study was successfully completed, and that we would be initiating a multi-dose Phase I trial. This second Phase I trial is a multi-center, open

label dose escalation trial and will assess the maximum tolerated dose, dose limiting toxicities and safety of a seven day, multi-cycle oral dosing regimen of azacitidine in patients with MDS and AML. In addition, the trial will examine pharmacokinetics

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and pharmacodynamic effects of oral azacitidine as compared with the FDA approved parenteral regimen of Vidaza. Since oral azacitidine, like Vidaza, is a demethylating agent, its development complements our epigenetics program and invites further study in combination with other oral epigenetics-based therapies, such as MGCD0103. Moreover, there is a significant body of evidence showing that the biological effects of demethylating agents may be improved or extended through sustained DNA demethylation, which could most effectively be provided through oral delivery. As a result, an oral demethylating agent offers the possibility of transforming cancers into chronically managed diseases.

Other Products. In addition to our primary commercial products, we sell several smaller products in the U.S. and Europe. This includes Innohep®, a low molecular weight heparin that we sell in the U.S., and Refludan, an anti-thrombin agent that we sell in Europe and other countries outside the U.S. and Canada. Aggregate net sales for these products were approximately $19 million in 2006.

Corporate Information

We were incorporated in Delaware in 1999 and commenced operations in January 2000. Our principal executive offices are located at 2525 28th Street, Boulder, Colorado 80301, and our telephone number is (720) 564-9100. Our website is located at www.pharmion.com. The reference to our website does not constitute incorporation by reference of the information contained on our website and you should not consider it part of this prospectus supplement.

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The Offering

For a description of our common stock, see Description of Common Stock in the accompanying prospectus.

Common stock offered	4,000,000 shares
Common stock to be outstanding after this offering	36,150,648 shares
Use of proceeds	We expect to use the proceeds of this offering for general corporate purposes, including the funding of clinical studies in connection with the development of our products and product candidates, the expansion of our commercial organization in anticipation of regulatory approval of our product candidates, future acquisitions of additional products and product candidates to augment our current portfolio, and working capital. See Use of Proceeds.
Nasdaq Global Market symbol for our common stock	PHRM
Risk factors	See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.

New Enterprise Associates and its affiliated funds, one of our principal stockholders, has indicated an interest in purchasing shares of our common stock being sold in this offering.

The number of shares to be outstanding after this offering as shown above is based on 32,150,648 shares of our common stock outstanding as of March 31, 2007 and excludes 6,404,402 shares of our common stock reserved for issuance under our stock option and incentive plans, of which 3,530,317 shares were subject to options to purchase common stock and non-vested restricted stock unit awards outstanding on that date.

Except as otherwise noted, all information in this prospectus supplement assumes no exercise by the underwriters of their option to purchase up to 600,000 additional shares of common stock.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data should be read in conjunction with the Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes appearing in our Annual Report on Form 10-K for the year ended December 31, 2006 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2007. We have prepared this information using our audited consolidated financial statements for the years ended December 31, 2004, 2005 and 2006 and our unaudited consolidated financial statements for the three months ended March 31, 2006 and 2007. The unaudited consolidated financial statements include, in the opinion of management, all adjustments, consisting only of normal, recurring adjustments, that management considers necessary for a fair statement of the results of those periods. These historical results are not necessarily indicative of results to be expected in any future period and the results for the three months ended March 31, 2007 should not be considered indicative of results to be expected for the full fiscal year.

	Years Ended December 31,			Three Months Ended March 31,	
	2004	2005	2006	2006	2007
	(in thousands, except share and per share data)			(unaudited)	
Consolidated Statements of Operations Data:					
Net sales	$ 130,171	$ 221,244	$ 238,646	$ 56,594	$ 62,681
Operating expenses:					
Cost of sales, inclusive of royalties, exclusive of product rights amortization shown separately below	43,635	59,800	65,157	15,213	16,938
Research and development	28,392	42,944	70,145	15,133	20,036
Acquired in-process research		21,243	78,763	20,480	
Selling, general and administrative	66,848	83,323	104,943	22,512	28,566
Product rights amortization	3,395	9,345	9,802	2,439	2,462
Total operating expenses	142,270	216,655	328,810	75,777	68,002
Operating income (loss)	(12,099)	4,589	(90,164)	(19,183)	(5,321)
Interest and other income, net	2,415	6,474	6,926	1,661	1,208
Income (loss) before taxes	(9,684)	11,063	(83,238)	(17,522)	(4,113)
Income tax expense	7,853	8,794	7,774	2,214	1,543
Net income (loss)	(17,537)	2,269	(91,012)	(19,736)	(5,656)
Net income (loss) per common share:					
Basic	$ (0.63)	$ 0.07	$ (2.84)	$ (0.62)	$ (0.18)

Diluted	$ (0.63)	$ 0.07	$ (2.84)	$ (0.62)	$ (0.18)
Weighted average number of common and common equivalent shares used to calculate net income (loss) per common share:					
Basic	27,933,202	31,836,783	32,015,962	31,918,849	32,130,520
Diluted	27,933,202	32,875,516	32,015,962	31,918,849	32,130,520

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The as adjusted balance sheet data set forth below gives effect to the sale by us of 4,000,000 shares of common stock in this offering at the public offering price of $30.00 per share after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	As of March 31, 2007	
	Actual	As Adjusted
	(in thousands)	
	(unaudited)	
Consolidated Balance Sheet Data:		