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BIOTRANSPLANT INC
Form 10-K/A
April 26, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A
AMENDMENT NO. 1 TO FORM 10-K
FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO
SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(MARK ONE)

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000
OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 000-28324

BIOTRANSPLANT INCORPORATED

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

04-3119555
(IRS Employer Identification No.)

CHARLESTOWN NAVY YARD,
BLDG. 75, THIRD AVENUE,
CHARLESTOWN, MA
(Address of principal executive offices)

02129
(Zip Code)

Registrant's telephone number, including area code: (617) 241-5200

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act: COMMON STOCK, \$.01

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PAR VALUE

(Title of each class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K. / /

The aggregate market value of voting Common Stock held by non-affiliates of the registrant was \$44,937,925 based on the last reported sale price of the Common Stock on the Nasdaq consolidated transaction reporting system on March 21, 2001.

Number of shares of the registrant's class of Common Stock outstanding as of March 21, 2001: 11,795,120.

This Amendment No. 1 on Form 10-K/A to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000 is being filed to add the information required to be set forth in Part III.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS

Information regarding executive officers of BioTransplant is furnished in Part I of this Annual Report on Form 10-K under the heading "Executive Officers of the Registrant."

Set forth below is the name, age and position of each director of BioTransplant.

NAME	AGE	POSITION AT BIOTRANSPLANT
----	-----	-----
Elliot Lebowitz, Ph.D.....	60	President, Chief Executive Officer and Director
Donald R. Conklin.....	64	Director
William W. Crouse.....	58	Director
James C. Foster, J.D.....	50	Director
Daniel O. Hauser, Ph.D.....	63	Director
Michael S. Perry, D.V.M., Ph.D.....	41	Director

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ELLIOT LEBOWITZ, PH.D. has served as President and Chief Executive Officer and as a member of the Board of Directors of BioTransplant since April 1991. From 1985 to 1991, he served as Vice President for Research and Development at C.R. Bard, Inc., a medical device company, directing internal and collaborative research and development programs for Bard's Vascular Systems, Cardiosurgery and Cardiopulmonary Divisions. From 1981 until 1985, Dr. Lebowitz served as Director of Long Range Research and Development at DuPont Corporation, a diversified health care company, developing immunopharmaceuticals. From 1977 until 1981, he served as Division Manager of the Medical Products Division of New England Nuclear Corporation, which developed, manufactured and sold radiopharmaceuticals for in vivo diagnosis. Earlier in his career, Dr. Lebowitz served at Brookhaven National Laboratories, a United States Department of Energy research facility, where he developed Thallium-201, a radiopharmaceutical for the diagnosis of coronary artery disease. Dr. Lebowitz was a founder of Diagnostic Isotopes, Inc., a radiopharmaceutical company which was subsequently acquired by Hoffmann-La Roche Inc., a pharmaceutical company. He was also a founder of Procept, Inc., a biopharmaceutical company which focused on rational drug design. He holds a B.A. from Columbia College and a Ph.D. from Columbia University.

DONALD R. CONKLIN has served as a director of BioTransplant since January 1997. Mr. Conklin is currently retired. From February to December 1996, he served as Chairman of Schering-Plough Health Care Products, a wholly-owned subsidiary of Schering-Plough Corporation, a pharmaceutical company. From 1995 to February 1996, he served as President of Schering-Plough Health Care, and from 1986 until September 1994, he served as Executive Vice President and President of Schering-Plough Pharmaceuticals. Mr. Conklin also serves on the board of directors of Alfacell Corporation, Ventiv Inc. and Vertex Pharmaceuticals. He received his B.A. from Williams College and his M.B.A. from Rutgers University.

WILLIAM W. CROUSE has served as a director of BioTransplant since June 1995. Since 1994, Mr. Crouse has served as Managing Director of HealthCare Ventures LLC, a venture capital firm. Mr. Crouse served as Worldwide President of Ortho Diagnostic Systems, a medical device company, and Vice President of Johnson & Johnson International, a pharmaceutical company, from 1987 to 1994. Mr. Crouse has more than 30 years experience in the pharmaceutical industry. He also serves as a director of Dendreon Corporation, The New York Blood Center and Liberty Science Center and is a Trustee of Lehigh University. Mr. Crouse received his B.S. in finance and economics from Lehigh University and his M.B.A. from Pace University.

JAMES C. FOSTER, J.D. has served as a director of BioTransplant since February 1992. Since 1992, he has served as President and Chief Executive Officer of Charles River Laboratories, Inc., or CRL, a

supplier of research animals and animal-related products and services. Previously, he served in various other capacities with CRL. Mr. Foster received his B.S. in psychology from Lake Forest College, his J.D. from the Boston University School of Law and his M.A. in Science and Management from the Massachusetts Institute of Technology.

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DANIEL O. HAUSER, PH.D. has served as a director of BioTransplant since January 1994. Dr. Hauser is currently retired. From 1997 to 1998, he served as the Senior Vice President of Preclinical Development & Project Management, Operations in the United States for Novartis AG, a pharmaceutical corporation. From 1992 until December 1996, he served as President of Sandoz Research Institute and as Senior Vice President of Research and Development for Sandoz Pharmaceutical Corporation, the predecessor of Novartis. From 1965 to 1992, he served in various positions at the Pharma Division of Sandoz Pharma Ltd. (Switzerland), including Senior Vice President from 1985 to 1992. Dr. Hauser received his M.S. and Ph.D. in chemistry from the Swiss Federal Institute of Technology (Switzerland) and was a Post-doctoral Research Fellow in the Department of Chemistry at the Israel Institute of Technology (Haifa).

MICHAEL S. PERRY, D.V.M., PH.D. has served as a director of BioTransplant since January 1999. Since October 2000, he has served as Vice President, Global Research and Development of Baxter Healthcare Corporation, a hospital supply and medical technology company. From 1998 until September 2000, he served as President and Chief Executive Officer of Genetic Therapy, Inc. and since 1997, he has served as President and Chief Executive Officer of SyStemix, Inc. Genetic Therapy and SyStemix are biopharmaceutical corporations which are wholly-owned by Novartis. During 1997, Dr. Perry served as Vice President, Drug Regulatory Affairs, North America for Novartis. From 1995 to 1996, he served as Vice President, Drug Registration and Regulatory Affairs (North America) for Sandoz Pharmaceutical Corporation, the predecessor of Novartis. From 1994 to 1995, he served as Vice President, Drug Registration and Regulatory Affairs (USA) for Sandoz. Dr. Perry received his Ph.D. in pharmacology (cardiopulmonary) and his D.V.M. from the Ontario Veterinary College, University of Guelph (Canada).

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on its review of copies of reports filed by all officers of BioTransplant who are persons required to file reports, referred to as reporting persons, pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, BioTransplant believes that during fiscal 2000 all filings required to be made by its reporting persons were timely made in accordance with the requirements of the Exchange Act, except for the following: Daniel O. Hauser received 3,000 shares of common stock on February 22, 2000 upon the exercise of stock options and sold 3,000 shares of common stock on March 3, 2000, and the Form 5 reporting these transactions was not filed until February 14, 2001; James Hope, BioTransplant's Senior Vice President of Development, received 6,000 shares of common stock on March 2, 2000 upon the exercise of stock options and sold 6,000 shares of common stock on March 2, 2000, and the Form 5 reporting these transactions was not filed until February 14, 2001; and Richard V. Capasso, BioTransplant's Vice President, Finance and Treasurer, received 5,000 shares of common stock on March 2, 2000 upon the exercise of stock options and sold 5,000 shares of common stock on March 2, 2000, and the Form 5 reporting these transactions was not filed until February 14, 2001.

ITEM 11. EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE. The following table sets forth information with respect to the annual and long-term compensation for the last three fiscal years of BioTransplant's Chief Executive Officer and its four other most highly

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compensated executive officers at year end whose total annual salary and bonus for 2000 exceeded \$100,000, referred to collectively as the "named executive officers." Dollar amounts in the "All Other Compensation" column consist of matching contributions under BioTransplant's 401(K) plan. Dr. Greenstein has resigned as Senior Vice President, Research of BioTransplant, effective January 2001, in order to assume the position of Chief Executive Officer of Immerge BioTherapeutics AG, and its wholly-owned subsidiary, Immerge BioTherapeutics, Inc., the

operating entities of BioTransplant's joint venture with Novartis. Dr. Greenstein will continue to serve as an employee at BioTransplant but will no longer have the duties or title of an officer of BioTransplant. Dr. Howard Grossberg joined BioTransplant in December 1999 and resigned in February 2001. Dr. Grossberg will serve as a consultant to BioTransplant.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION AWARDS	ALL COMPEN
		SALARY (\$)	BONUS (\$)	SECURITIES UNDERLYING OPTIONS (#)	
Elliot Lebowitz, Ph.D. Chief Executive Officer	2000	\$266,000	\$40,000	64,500	\$
	1999	252,956	--	67,098	
	1998	252,956	--	100,000	
James Hope, Ph.D. Senior Vice President of Development	2000	206,000	20,000	22,000	
	1999	195,038	5,000	23,000	
	1998	182,619	22,423	26,800	
Julia L. Greenstein, Ph.D. Senior Vice President of Research	2000	227,000	33,000	24,500	
	1999	187,567	--	16,000	
	1998	200,723	19,372	40,700	
Mary White-Scharf, Ph.D. Vice President of Research	2000	168,000	20,000	26,000	
	1999	155,424	--	27,000	
	1998	146,107	13,622	45,200	
Howard Grossberg, M.D. Vice President of Medical Affairs	2000	221,000	50,400	10,500	
	1999	6,800	--	50,000	

OPTION GRANTS IN LAST FISCAL YEAR. The following table sets forth information regarding options to purchase common stock granted during the year ended December 31, 2000 by BioTransplant to the named executive officers. Options granted in 2000 become exercisable in four equal annual installments, commencing twelve months after the vesting commencement date, which is typically the date of grant. Amounts in the last two columns represent hypothetical gains

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that could be achieved for options if exercised at the end of the option term. These gains are based on assumed rates of stock price appreciation of 5% and 10% compounded annually from the date options were granted to their expiration date. Actual gains, if any, on stock option exercises will depend on the future performance of the common stock on the date on which options are exercised.

OPTION GRANTS IN LAST FISCAL YEAR

NAME	INDIVIDUAL GRANTS				POTENTIAL
	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR (%)	EXERCISE OR BASE PRICE (\$/SH)	EXPIRATION DATE	VALUE ANNUAL PRICE AP OP 5% (\$)
Elliot Lebowitz, Ph. D.....	4,500	1.4%	\$ 6.94	12/20/10	\$ 19,63
	60,000	18.6	8.89	12/4/10	335,49
James Hope, Ph.D.....	20,000	6.2	14.25	9/11/10	179,23
	2,000	0.6	6.94	12/20/10	8,72
Julia L. Greenstein, Ph.D.....	21,000	6.5	7.63	1/31/10	100,70
	3,500	1.1	6.94	12/20/10	15,27
Mary White-Scharf, Ph.D....	24,000	7.5	10.00	8/23/10	150,93
	2,000	0.6	6.94	12/20/10	8,72
Howard Grossberg, M.D.....	8,000	2.5	7.00	12/26/10	35,21
	2,500	0.8	6.94	12/20/10	10,90

AGGREGATED OPTION EXERCISES AND YEAR-END OPTION TABLE. The following table sets forth information regarding options exercised by each named executive officer during 2000 and exercisable and unexercisable stock options held as of December 31, 2000 by each named executive officer. The value realized upon the exercise of options represents the difference between the option exercise price and the closing sale price of the common stock on the date of exercise. The value of the unexercised in-the-money options at year end has been calculated based on \$8.69, which was the closing sales price of the common stock on the Nasdaq National Market on December 29, 2000, the last trading day of BioTransplant's 2000 fiscal year, less the applicable option exercise price.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

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	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#)		EXERCISABLE	UNEXERCISABLE	EXER
			EXERCISABLE	UNEXERCISABLE			
Elliot Lebowitz, Ph.D.....	--	--	282,138	179,928			\$1,1
James Hope, Ph.D.....	12,000	\$145,631	84,707	61,675			3
Julia L. Greenstein, Ph.D.....	6,000	96,354	96,832	64,298			3
Mary White-Scharf, Ph.D.....	11,151	147,329	97,234	79,398			3
Howard Grossberg, M.D.....	--	--	12,500	48,000			

SEVERANCE AGREEMENTS WITH EXECUTIVE OFFICERS

Under the terms of an agreement with Dr. Lebowitz, BioTransplant's President and Chief Executive Officer, in the event of involuntary termination of Dr. Lebowitz' employment, he is eligible to receive six months of base salary from BioTransplant. Under the terms of agreements with Dr. Hope, Senior Vice President of Development, Dr. White-Scharf, Vice President of Research, and Mr. Capasso, Vice President, Finance and Treasurer, in the event of a termination of employment without cause, the terminated officer is eligible to receive six months of base salary, which will be discontinued if the officer secures other employment. Furthermore, if at the end of the six-month period following his termination Dr. Hope is unable to secure other employment, then Dr. Hope and

BioTransplant have agreed to negotiate an additional severance payment of up to six months of base salary.

COMPENSATION OF DIRECTORS

BioTransplant's non-employee directors who are not affiliated with Novartis each receive \$1,500, plus reasonable travel and out-of-pocket expenses, for each meeting of the board of directors they attend.

The board of directors intends to make awards of stock options to directors as compensation for service on the board of directors under BioTransplant's 1997

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stock incentive plan. Currently, the board of directors grants each director, upon his or her initial election to the board of directors, an option to purchase 15,000 shares of BioTransplant common stock at an exercise price equal to the then fair market value. In addition, each director is eligible to receive an option to purchase 6,000 shares of BioTransplant common stock, at an exercise price equal to the then fair market value, upon his or her reelection to the board of directors at each annual meeting of stockholders.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Compensation Committee during 2000 were Messrs. Crouse and Foster. No member of the Compensation Committee was at any time during 2000, or formerly, an officer or employee of BioTransplant or any subsidiary of BioTransplant.

For a discussion of an arrangement between BioTransplant and Charles River Laboratories, an entity of which Mr. Foster is President and Chief Executive Officer, see "Item 13--Certain Relationships and Related Transactions."

No executive officer of the Company has served as a director or member of the Compensation Committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as a director of or member of the Compensation Committee of BioTransplant.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as to the number of shares of our common stock beneficially owned as of February 28, 2001 by:

- each person that beneficially owns more than 5% of the outstanding shares of common stock;

- each director of BioTransplant;

- BioTransplant's Chief Executive Officer;

- the four other named executive officers of BioTransplant; and

- all BioTransplant executive officers and directors as a group.

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Except as indicated by the notes to the following table, the holders listed below will have sole voting power and investment power over the shares beneficially held by them. Beneficial ownership is determined according to the rules of the Securities and Exchange Commission. The table below includes shares subject to options and warrants which will be exercisable within 60 days following

February 28, 2001. All percentages assume that the options and warrants of the particular person or group in question, and no others, have been exercised.

NAME OF BENEFICIAL OWNER -----	BENEFICIAL OWNERSHIP	
-----	SHARES -----	PERCENT -----
 5% BENEFICIAL OWNERS		
Rho Management Trust II(1) c/o Rho Management Company, Inc. 767 Fifth Avenue New York, New York 10153	857,815	7.3%
Funds managed by Hambrecht & Quist Capital Management, Inc. (2) 50 Rowes Wharf Boston, Massachusetts 02110	740,451	6.3
S Squared Technology Corporation(3) 515 Madison Avenue Suite 4200 New York, NY 10022	752,500	6.4
Joseph A. Cohen(4).....	771,600	6.5
 DIRECTORS AND NAMED EXECUTIVE OFFICERS		
Elliot Lebowitz, Ph.D.(5).....	372,537	3.1
Donald R. Conklin(6).....	14,857	*
William W. Crouse(7).....	216,528	1.8
James C. Foster, J.D.(8).....	23,731	*
Daniel O. Hauser(9).....	13,875	*
Michael S. Perry, D.V.M., Ph.D.(10).....	7,500	*
James Hope, Ph.D.(11).....	85,007	*
Julia L. Greenstein, Ph.D.(12).....	110,732	*
Mary White-Scharf, Ph.D.(13).....	108,985	*
Howard Grossberg, M.D.(14).....	12,500	*
All directors and executive officers as a group (9 individuals)(15).....	880,395	7.0

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- * Beneficial ownership does not exceed 1% of the outstanding shares of BioTransplant common stock.
- (1) Includes 38,466 shares of common stock which Rho Management Trust II has the right to acquire within 60 days of February 28, 2001 upon the exercise of warrants. Jan Philipp F. Reemtsma, Joshua Ruch and Fero Ventures Limited may be deemed to beneficially own the shares held by Rho Management Trust II and retain voting and dispositive rights for such shares.
 - (2) Includes 429,898 shares of common stock held by Hambrecht & Quist Health Care Investors, including 10,210 shares which H&Q Health has the right to acquire within 60 days of February 28, 2001 upon the exercise of warrants, and 310,553 shares of common stock held by Hambrecht & Quist Life Science Investors, including 17,722 shares which H&Q Life has the right to acquire within 60 days of February 28, 2001 upon the exercise of warrants. Hambrecht & Quist Capital Management Inc. serves as the investment advisor to H&Q Health and H&Q Life. The respective general partners of H&Q Health and H&Q Life exercise sole voting and investment power with respect to the shares held by each fund.
 - (3) This information is based solely on information included in a Schedule 13G dated February 12, 2001.
 - (4) This information is based solely on information included in a Schedule 13G/A dated February 8, 2001.
 - (5) Includes 298,463 shares of common stock which Dr. Lebowitz has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options.
 - (6) Includes 11,875 shares of common stock which Mr. Conklin has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options.
 - (7) Includes the following shares of common stock of record:
 - 78,877 shares which HCV II, L.P. has the right to acquire within 60 days of February 28, 2001 upon the exercise of warrants;
 - 99,705 shares which HCV III, L.P. has the right to acquire within 60 days of February 28, 2001 upon the exercise of warrants;

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- 29,571 shares which HCV IV, L.P. has the right to acquire upon the exercise of warrants; and

- 7,750 shares which Mr. Crouse has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options.

Mr. Crouse is a general partner of HealthCare Partners II, L.P., HealthCare Partners III, L.P. and HealthCare Partners IV, L.P., the general partners, respectively, of HCV II, L.P., HCV III, L.P. and HCV IV, L.P. Mr. Crouse, together with the other general partners of HCV II, HCV III and HCV IV, respectively, shares voting and investment control with respect to the shares owned by HCV II, HCV III and HCV IV. The same individuals serve as general partners of HealthCare Partners II, L.P., HealthCare Partners III, L.P. and HealthCare Partners IV, L.P.

- (8) Includes 2,856 shares of common stock owned by Charles River Laboratories, Inc. Mr. Foster, a director of BioTransplant, is the President and Chief Executive Officer of Charles River Laboratories and may be deemed to beneficially own the shares of Charles River Laboratories, although he disclaims beneficial ownership. Also includes 7,750 shares of common stock which Mr. Foster has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options.

- (9) Includes 13,250 shares of common stock which Dr. Hauser has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options.

- (10) Includes 7,500 shares of common stock which Dr. Perry has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options.

- (11) Includes 84,707 shares of common stock which Dr. Hope has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options. Includes 300 shares of common stock owned by Dr. Hope's minor children.

- (12) Dr. Greenstein has resigned as Senior Vice President, Research of BioTransplant, effective January 1, 2001, in order to assume the position of Chief Executive Officer of Immerge BioTherapeutics AG and Immerge BioTherapeutics, Inc., the operating entities of BioTransplant's joint venture with Novartis. Dr. Greenstein will continue to serve as an employee at BioTransplant but will no longer have the duties or title of an officer of BioTransplant. Includes 110,732 shares of common stock which Dr. Greenstein has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options.

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- (13) Includes 97,234 shares of common stock which Dr. White-Scharf has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options. Also includes 600 shares of common stock owned by Dr. White-Scharf's minor children.
- (14) Represents 12,500 shares of common stock which Dr. Grossberg has the right to acquire within 60 days of February 28, 2001 upon the exercise of stock options. Dr. Grossberg resigned in February 2001 and will continue as a consultant to BioTransplant.
- (15) Includes 774,057 shares of common stock which all directors and executive officers as a group may acquire upon the exercise of outstanding stock options and warrants exercisable within 60 days of February 28, 2001.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In March 1991, BioTransplant entered into a supply agreement with Charles River Laboratories. BioTransplant amended the agreement in 1998. Under the terms of the agreement, as amended, CRL provides BioTransplant with miniature swine and miniature swine organs for research and development purposes in exchange for payments under a research and supply agreement. BioTransplant paid CRL \$877,500, \$940,000 and \$988,000 under this agreement in 1998, 1999 and 2000, respectively. James C. Foster, President and Chief Executive Officer of CRL, is a director of BioTransplant. BioTransplant expects to assign its rights in the field of xenotransplantation under this agreement to its joint venture with Novartis.

From 1993 through October 2000, BioTransplant was party to two collaboration agreements with Novartis to research, develop and commercialize xenotransplantation products. During the collaboration, BioTransplant received an aggregate of \$33.5 million in research funding and \$16.5 million in license fees and milestone payments from Novartis. In September 2000, BioTransplant entered into an arrangement with Novartis to combine their respective expertise in the field of xenotransplantation into a newly-formed, independently-run company named Immerge BioTherapeutics AG and Novartis and BioTransplant terminated their prior collaborations in xenotransplantation. In return for contributing its technology, BioTransplant will retain a 33% share of the joint venture and will receive royalty payments from Novartis sales of xenotransplantation products, if any. David Sachs, M.D., Chairman of BioTransplant's scientific advisory board and the Director of the Transplantation Biology Research Center at Massachusetts General Hospital; Elliot Lebowitz, the Chief Executive Officer of BioTransplant; Corinne Savill, Chief Operating Officer of an affiliate of Novartis; and Clive Morris, Head of Patents, Pharma Consumer Health and Global Generics at Novartis, are all directors of Immerge BioTherapeutics AG and of its subsidiary Immerge BioTherapeutics, Inc. Immerge BioTherapeutics began operations in January 2001.

Dr. Perry, a director of BioTransplant, was formerly President and Chief Executive Officer of Genetic Therapy and SyStemix, affiliates of Novartis.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

BIOTRANSPLANT INCORPORATED

By: /s/ ELLIOT LEBOWITZ, PH.D.

Elliot Lebowitz, Ph.D.
PRESIDENT AND CHIEF EXECUTIVE OFFIC

Date: April 26, 2001