

# SCHEDULE 14A INFORMATION

## Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Under Rule 14a-12

## SONUS PHARMACEUTICALS, INC.

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

\_\_\_\_\_

2) Form, Schedule or Registration Statement No.:

\_\_\_\_\_

3) Filing Party:

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4) Date Filed:

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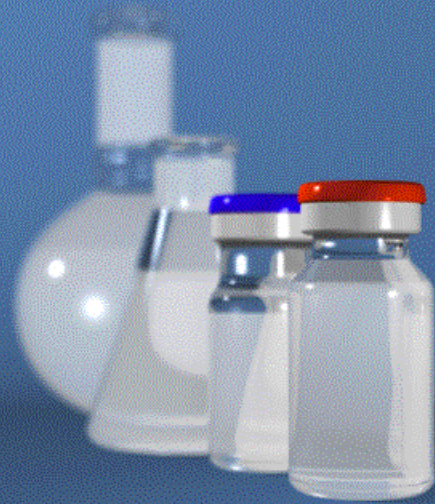
The following is a presentation given by Sonus Pharmaceuticals, Inc. ("SNUS") to investors during November 2004, and relates to the proposed acquisition of Synt:em, S.A.

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SONUS PHARMACEUTICALS

## Synt:em Acquisition

November 2004





## Forward-Looking Statement

This presentation includes forward-looking statements such as those, among others, relating to the development, safety and efficacy of drug delivery products and potential applications for these products. As discussed in Sonus Pharmaceuticals' filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K filed on March 12, 2004 and Quarterly Report on Form 10-Q filed August 16, 2004, actual results could differ materially from those projected in the forward-looking statements as a result of the following factors, among others: the Company's and Synt:em's products will require extensive clinical testing and approval by regulatory authorities; such approvals are lengthy and expensive and may never occur; risks that the FDA may not approve the Company's proposed 505(b)(2) strategy; risks that clinical studies with TOCOSOL Paclitaxel will not be successful; risks that the Company may not be able to effectively or completely integrate the business and operations of Synt:em; risks that the combined company may not be able raise capital to finance the increased costs of the business and operations of both companies; and risks of successful development of additional drug delivery products. Sonus undertakes no obligation to update the forward looking statements contained herein or to reflect events or circumstances occurring after the date hereof.

## Additional Information About the Acquisition and Where to Find It

Sonus will file a proxy statement and other documents concerning the proposed acquisition of Synt:em with the Securities and Exchange Commission. **Sonus stockholders are urged to read the proxy statement when it becomes available and other relevant documents filed with the SEC because they will contain important information.** A copy of the proxy statement will be mailed to the stockholders of Sonus. Sonus stockholders may obtain a free copy of the proxy statement and other relevant documents filed by Sonus with the SEC when they become available at the SEC's website at [www.sec.gov](http://www.sec.gov). The proxy statement and these other documents may also be obtained for free from Sonus by directing a request to: Investor Relations, 22026 20th Avenue S.E., Bothell, Washington, 98021, phone (425) 487-9500.

Sonus and its directors, executive officers and certain of its employees may be deemed to be participants in the solicitation of proxies from the stockholders of Sonus with respect to the proposed transaction. Information regarding the names, affiliations and interests of the participants in the solicitation will be included in the proxy statement.



# Agenda

- Strategic Rationale
- Synt:em Overview
- Deal Terms
- Financials
- Next Steps

## Value Proposition

- Established strong foundation with TOCOSOL® Paclitaxel
- Sonus positioned to expand
  - Explored significant number of opportunities to leverage Sonus capabilities and assets
- Acquisition results in stronger company positioned for increased shareholder value



## TOCOSOL® Paclitaxel – Moving Ahead

- Discussions with FDA initiated on Phase 3
  - Proposing single pivotal trial
  - Expect resolution by year end
- Partnership discussions gaining momentum
  - Multinational pharmaceutical, specialty drug, and branded generic drug companies
  - Term sheet stage with at least one prospect
  - Planning to begin Phase 3 – Q2 '05



# Acquisition Benefits

- **Pipeline**
  - Three near-term preclinical product candidates for pain management
  - Expands oncology portfolio
- **Platform**
  - Synergistic with TOCOSOL® drug delivery platform
  - Drug discovery engine
- **People**
  - Strong scientific expertise and collaborations
  - Presence in Europe

# Agenda

- Strategic Rationale
- **Synt:em Overview**
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# Synt:em Organization

- Founded in 1995
- Based in Nimes, France
- Privately held
- 38 Employees
  - Half hold doctoral degrees

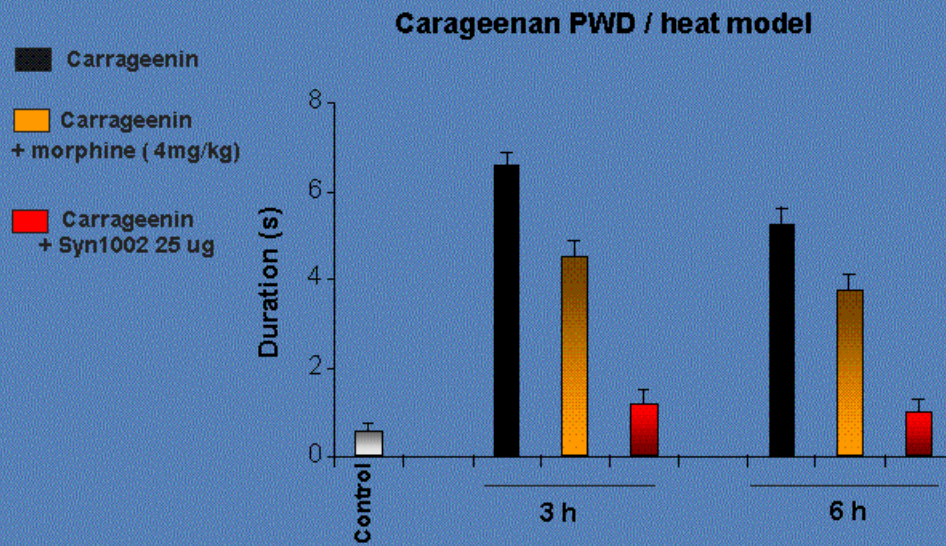
## Synt:em Pipeline

### Syn1002

- Peptide analgesic for inflammatory and neuropathic pain
- Preclinical
- Very wide therapeutic window
- Total market est. at >\$16 billion for '05 in U.S. (competes against COX-2 inhibitors)
- IND possibly in 2005



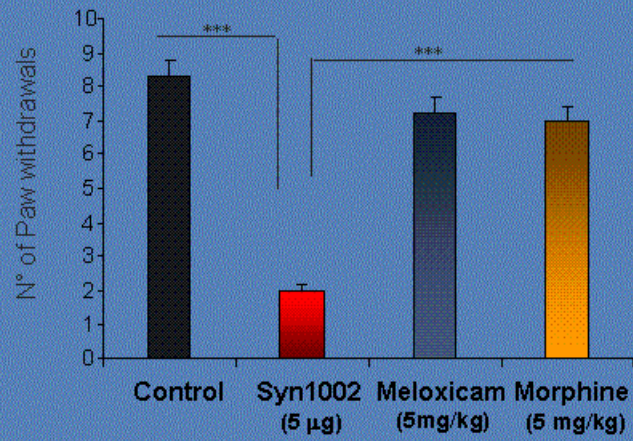
# Syn1002 Potency Inflammatory Pain



**Syn1002 is 160 times more potent than morphine**

# Syn1002 Potency Neuropathic Pain

## CCI Model



**Syn1002 is 200 times more potent than morphine or meloxicam**



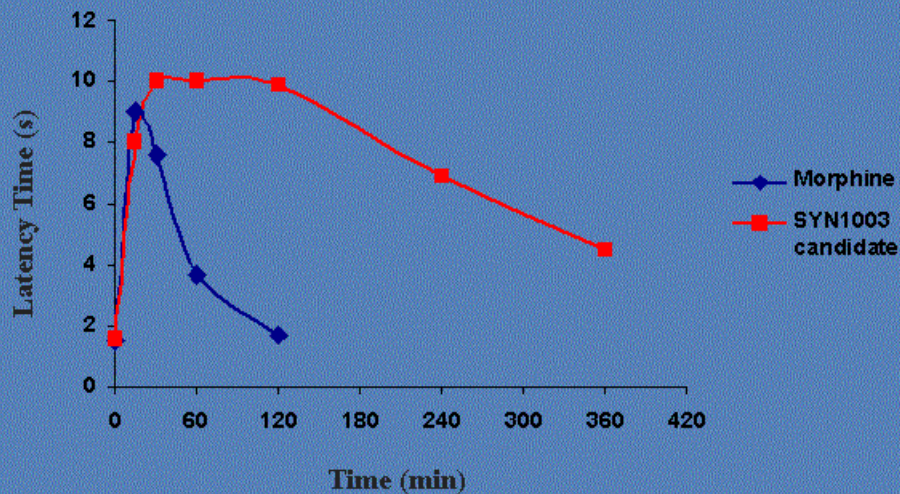
## Synt:em Pipeline

### Syn1003

- Novel non-peptide opioid for acute/chronic pain
- Preclinical
- Good analgesic effects with potential for fewer side effects
- Market est. at >\$12 billion in U.S.
- IND possibly in 2005

# Syn1003 Analgesia

Mice, Tail-Flick assay (IV bous, 5mg/kg.eq)

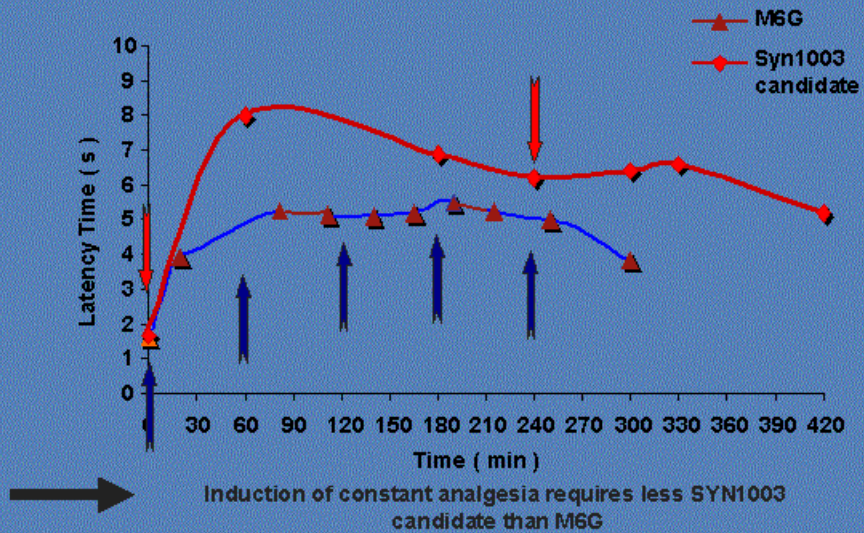


SYN1003 candidate has a longer duration of action compare to morphine



# Syn1003 Analgesia

Mice, Tail-Flick assay (IV bous, 3mg/kg.eq))



# Synt:em Pipeline

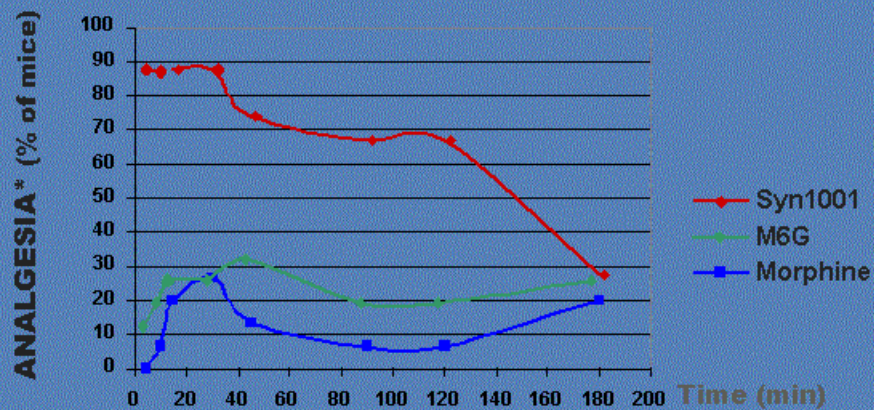
## Syn1001

- Novel opioid analgesic
- Preclinical
- Faster onset, longer duration of action, greater potency and enhanced CNS uptake
- Multibillion dollar market opportunity for post-operative pain
- IND possible in 2006



# Syn1001 Analgesic Effects

Hotplate test: IV administration (1mg/kg eq)



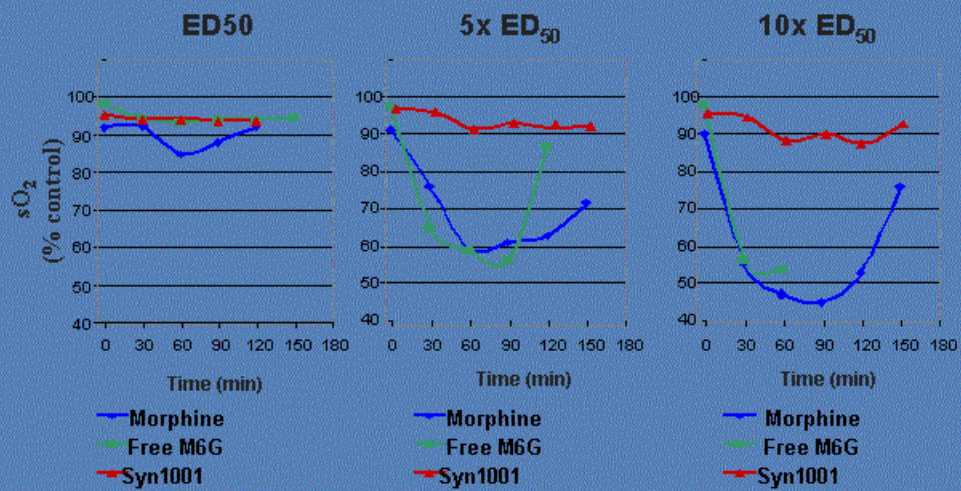
**Faster and prolonged analgesia compared to morphine and free M6G at the same dose**

\* % of mice with a minimum of doubled latency time over baseline

# Syn1001

## Lack of Respiratory Depression

### SC Administration in rats

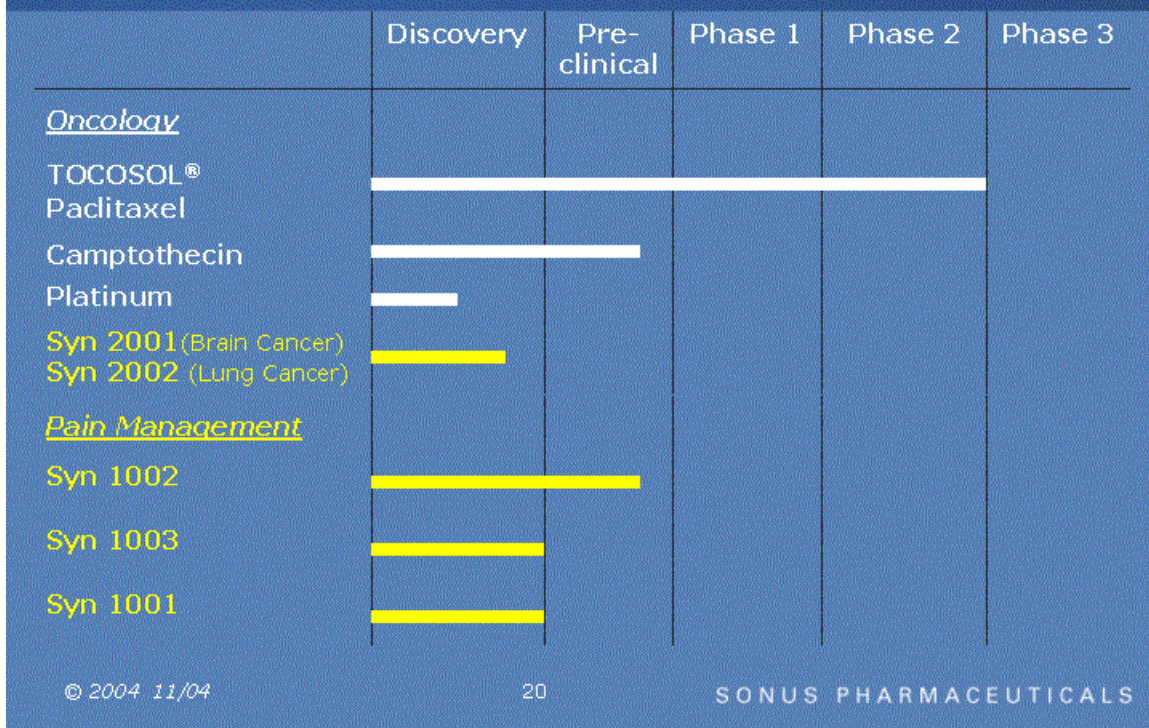




# Synt:em Pipeline Oncology

- Syn2001
  - Brain cancer (glioblastoma multiforme)
- Syn2002
  - Lung cancer
- TAL-1
  - Solid tumors

# Expanded Pipeline - 2005

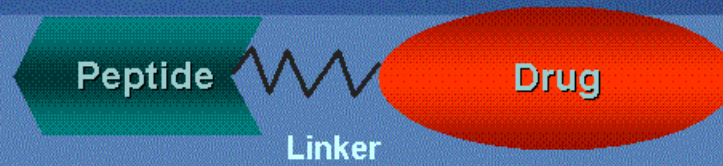




# Synt:em Technology Platform

- Pep:trans™
  - Peptide chemistry for safe and efficient transport across complex cell membranes
  - Can be linked to clinically validated or novel drugs

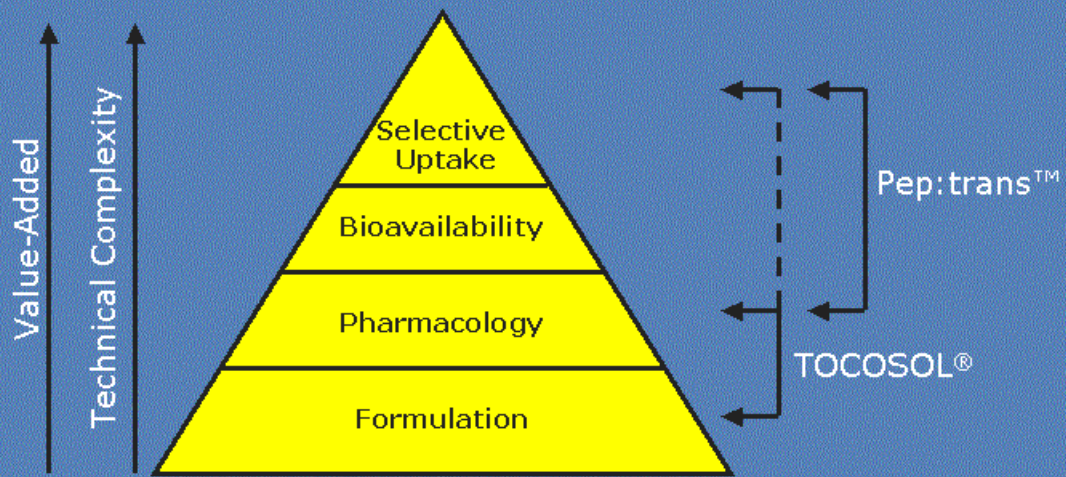
# Pep:trans™ Re-engineering



- A way to change the pharmacological behavior of existing or new drugs
- Results in fully patentable new compounds
- Enables the improvement or expanded use of existing and new drugs
- Re-engineering of existing well-characterized drugs with Pep:trans creates new drugs faster



# Technology Synergies

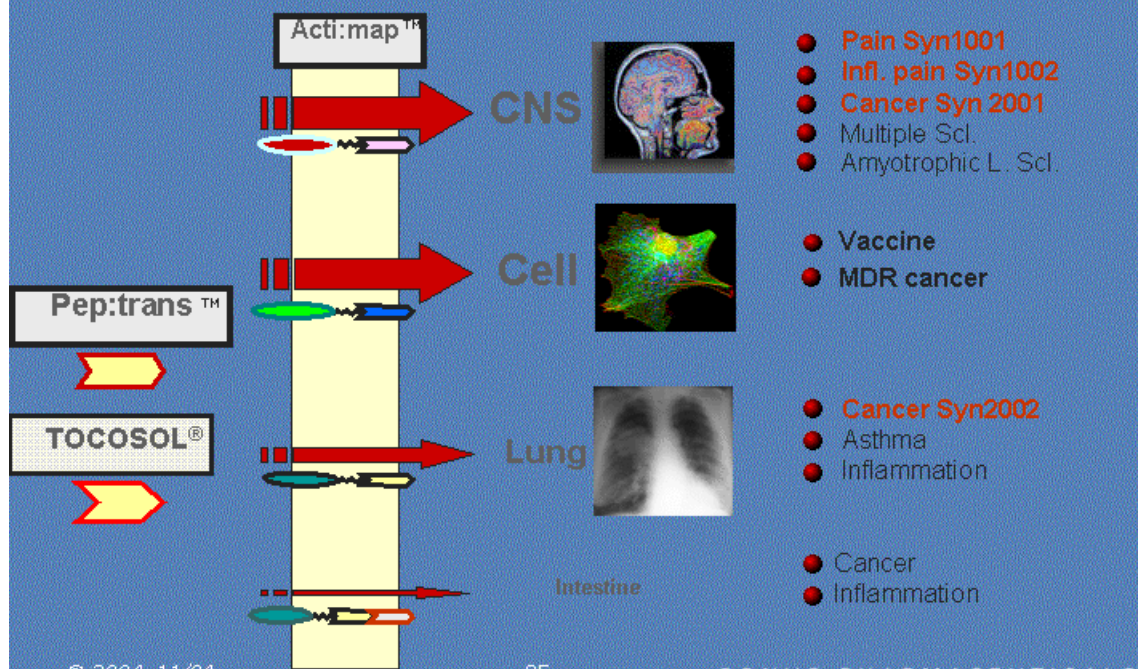


# Synt:em Technology Platform

- Pep:trans™
  - Peptide chemistry for safe and efficient transport across complex cell membranes
  - Can be linked to clinically validated or novel drugs
- Acti:map™
  - Validated computational process to discover and optimize selection of new peptides or drug candidates



# Combined Technology Platform Strategy



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25

SONUS PHARMACEUTICALS

# Synt:em People

- Internal Team:
  - Talented management team with excellent scientific credentials
  - 6 key personnel; over half of research team holds doctoral degrees
  - Complementary competencies (very little overlap with Sonus capabilities)
- External team:
  - Extensive network of scientific advisors and consultants
- Investors:
  - Top tier, pan-European institutional shareholders



# Synt:em Management Team

- Michel Kaczorek, Chairman and CEO. PhD, Biology
  - Inst. Pasteur, Harvard MS, R&D Pasteur Vaccins, Protéine Performance, VP France Biotech
- Jamal Tamsamani, Preclinical Development. PhD., Mol. Bio
  - Worcester Foundation and Hybridon
- Roger Lahana, Drug Discovery. PhD, Chemistry
  - CNRS, Molecular Chemistry, P. Fabre, Oxford Molecular (UK)
- Luc-Andre Granier, Medical Development. PhD, MD, Neurology
  - Forenap, Eli Lilly
- Caroline Roussel, Operations. Ing. Biotechnology,
  - EIEA Montpellier, Protéine Performance
- Gordon Waldron, Finance & Administration.
  - Duke Univ., Spie Batignolles, Texas Instruments

# Agenda

- Strategic Rationale
- Synt:em Overview
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# Summary of Transaction

- Stock-for-stock acquisition
- Total shares = \$30M divided by closing price <sup>1</sup>
- Three stock payments – One at closing and two earn-out payments
- Total shares subject to an upper and lower collar
  - Minimum shares issued if earn-out achieved - 7.6M
  - Maximum shares issued if earn-out achieved - 8.9M
- Lockup for 9-18 mos. from closing date

<sup>1</sup> Assuming milestones are met.

## Example of Shares Issued – Minimum Collar Closing Price \$4.00 - 7.6M shares

Payment	New Shares Issued	Cumulative Shares Issued	Fully Diluted Shares Outstanding	Synt:em Cumulative Ownership	Sonus Ownership
Initial Payment	2,600,000	2,600,000	24,300,000	10.7%	89.3%
Earn-out 1 50% of shares remaining after the Initial Payment	2,500,000	5,100,000	26,800,000	19.0%	81.0%
Earn-out 2 50% of shares remaining after the Initial Payment	2,500,000	7,600,000	29,300,000	26.0%	74.0%



## Example of Shares Issued – Maximum Collar Closing Price \$2.65 – 8.9M shares

Payment	New Shares Issued	Cumulative Shares Issued	Fully Diluted Shares Outstanding	Synt:em Cumulative Ownership	Sonus Ownership
Initial Payment:	3,900,000	3,900,000	25,600,000	15.2%	84.8%
Earn-out 1 50% of shares remaining after the Initial Payment	2,500,000	6,400,000	28,100,000	22.8%	77.2%
Earn-out 2 50% of shares remaining after the Initial Payment	2,500,000	8,900,000	30,600,000	29.0%	71.0%

# Attractive Comparison to Similar Transactions

(\$ in millions)

Announced / Completed	Acquirer / Target	At Closing		Including Earnout		Stage / Indication
		Equity Value	Enterprise Value	Equity Value	Enterprise Value	
8/14/2003 8/21/2003	Genta / Salus	\$13.0	\$12.7	\$30.0	\$29.7	Preclinical / Cancer
4/15/2003 8/21/2003	GenVec / Diacrin	42.1	4.5	42.1	4.5	Phase I / Cardio
2/10/2003 4/7/2003	Protein Design Labs / Eos	36.3	32.2	36.3	32.2	Preclinical / Cancer
11/12/2002 2/29/03	Incyte / Maxia	24.1	25.1	38.1	39.1	Preclinical / Diabetes
6/28/2001 7/6/2001	Bangamo / Gendaq	29.6	30.8	29.6	30.8	Preclinical / Discovery
	Mean	\$29.0	\$21.1	\$35.2	\$27.3	
	Median	29.6	25.1	36.3	30.6	
	High	42.1	32.2	42.1	39.1	
	Low	13.0	4.5	29.6	4.5	
	Sonus / Syntem	\$10.4	\$8.0	\$30.0	\$27.6	

**Notes:**

Source: SDC Platinum, Company filings.

(1) Additional \$17.0M available upon achieving certain milestones, which have not been disclosed.

(2) No earn out payment.

(3) Additional \$14.0M available upon achieving certain milestones, which have not been disclosed.

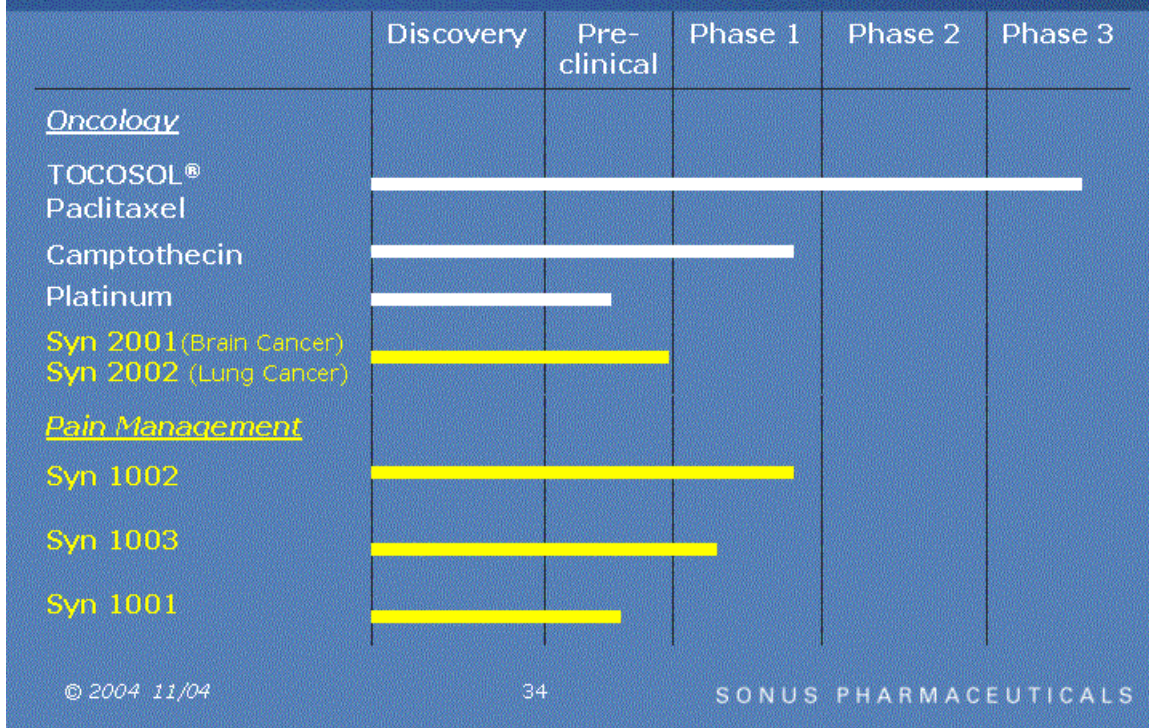
(4) Values do not include contingent earn out payments.



# Company Comp Analysis

Company	At 10/18/04		# of Drugs		
	Equity Value	Enterprise Value	Pre-clinical	Phase 1	Beyond Phase 1
	Momenta Pharmaceuticals, Inc.	\$ 203.1	\$ 139.6	2	0
StemCells, Inc.	104.1	80.1	3	0	0
Memory Pharmaceuticals Corp.	126.9	76.7	3	2	0
VIRxSYS (private)	82.0	72.0	0	1	0
Alnylam Pharmaceuticals, Inc.	109.4	66.7	2	0	0
Pro-Pharmaceuticals, Inc.	60.1	53.5	0	1	0
Compugen Ltd.	110.1	52.0	4	0	0
Plexxikon (private)	66.3	41.3	1	0	0
Ecopia Biosciences, Inc.	52.6	40.9	5	0	0
Rejuvenon (private)	52.0	15.0	0	1	0
Avigen, Inc.	69.4	(9.7)	3	1	0
<b>Maximum</b>	<b>\$ 203.1</b>	<b>\$ 139.6</b>			
<b>Mean</b>	<b>94.2</b>	<b>57.1</b>			
<b>Median</b>	<b>82.0</b>	<b>52.5</b>			
<b>Minimum</b>	<b>52.0</b>	<b>(9.7)</b>			
<b>System</b>	<b>\$ 30.0</b>	<b>\$ 27.6</b>	<b>3+</b>	<b>0</b>	<b>0</b>

# Sonus Pipeline - 2006





# Agenda

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# Key Messages

- Near term
  - Does not accelerate the need for cash/equity
  - 3 new products in pipeline
- Intermediate term
  - Requires additional funding, but
  - Additional products in Phase 2 and Phase 3
  - Improved discovery engine
  - Product offering beyond reformulation



## Target Milestones

- Next 3 to 6 months
  - Partnership on TOCOSOL® Paclitaxel
  - Agreement with FDA on TOCOSOL® Paclitaxel Phase 3 program
  - Initiation of Phase 3 testing for TOCOSOL® Paclitaxel
  - Three additional products in preclinical
  - Expanded pipeline

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## Next Steps to Closing

- Proxy filing in mid-November
- Proxy mailing in late December <sup>1</sup>
- Sonus shareholders meeting mid-January <sup>1</sup>
- Close mid-January <sup>1</sup>

<sup>1</sup> SEC review of proxy could delay six weeks.

# A Stronger Sonus Building Greater Shareholder Value

- **Pipeline**
  - Three near-term preclinical product candidates for pain management
  - Expands oncology portfolio
- **Platform**
  - Synergistic with TOCOSOL™ drug delivery platform
  - Drug discovery engine
- **People**
  - Strong scientific expertise and collaborations
  - Presence in Europe



# SONUS PHARMACEUTICALS

[www.sonuspharma.com](http://www.sonuspharma.com)

Nasdaq: SNUS

