BIO IMAGING TECHNOLOGIES INC
Form 4/A
May 31, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
STACK DAVID M

(Last) (First) (Middle)

C/O BIO-IMAGING TECHNOLOGIES, INC., 826 NEWTOWN-YARDLEY ROAD

(Street)

NEWTOWN, PA 18940

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
BIO IMAGING TECHNOLOGIES INC [BITI]

3. Date of Earliest Transaction (Month/Day/Year)
05/10/2006

4. If Amendment, Date Original Filed(Month/Day/Year)
05/12/2006

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock Option	$ 4.19	05/10/2006		A		10,000 (1)		06/10/2006	05/10/2016	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STACK DAVID M C/O BIO-IMAGING TECHNOLOGIES, INC. 826 NEWTOWN-YARDLEY ROAD NEWTOWN, PA 18940	X			

Signatures

/s/ David M. Stack	05/31/2006
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

****** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Such option was granted effective May 10, 2006, pursuant to the Company's 2002 Stock Incentive Plan, as amended and restated. Such option vests at a rate of one-twelfth (1/12) on each one-month anniversary from the date of grant, and will be fully vested on May 10, 2007. Such option is subject to a pro-rata reduction if Mr. Stack does not attend at least seventy-five percent (75%) of all meetings of the Board of Directors and any committee of the Board of Directors on which he serves.

(2) Includes multiple option grants with different exercise prices and vesting dates.

Remarks:

The vesting schedule of the options in the original filing is being corrected in this filing.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. in which management or Axys shareholders are limited on selling, I guess, the Celera shares they'll be receiving. Can you comment on that? TONY WHITE: I can't. This is Tony. PETER BARRETT: Yeah. This is Peter Barrett, Jim. There is no such lock up restriction period. We're, you know, gonna obviously convert their option, the existing options under -- convert them to Celera shares and move forward. ERIC SCHMIDT: Okay. Great. Thanks. MALE SPEAKER: There's going to be -- you know, there are gonna be considerable -- first of all, this deal was done because the people you're thinking about won't want to do this. They want to be part of Celera. I mean, I

think Mike can probably articulate that better than I can, but that's what they want to do. And in terms of the lock up, I think given the status of the options and so forth, it probably is a moot question. You know, the idea here is that we'll create some good incentives for folks to have the same sort of interest in the future and success of the enterprise as everybody else does. Conference Number 1146097 Wednesday, June 13, 2001 Page 12 ERIC SCHMIDT: Great. I actually have a couple more questions, but I'll get back in the queue later. Thanks. OPERATOR: Thank you. Your next question comes from Ellen Lubman of Robertson Stephens. You may ask your question. ELLEN LUBMAN: Thank you. Hi, folks. Congratulations. Couple of questions. First of all, how many chemists is Axys bringing to the table at this point? MIKE VENUTI: Yeah. This is Mike Venuti. Right now on staff we've got 55 chemists. When we open the new building we'll have the capacity for 80 total. In addition, we still access the 70 chemists in our subsidiary company Discovery Partners. As you know, we built a significant combinatorial chemistry business over the period 1996 through 2000, and we spun that out to Discovery Partners. So we still purchase libraries from that group, and we still have access to them under a pricing schedule to allow us to get to analog libraries and parallel libraries by purchase when we so choose. So we anticipate 80, as I say, on staff and access to the resources of Discovery Partners on a customer basis. ELLEN LUBMAN: Okay. Now was I mistaken to believe that you have also 40 combinatorial chemists? MIKE VENUTI: No. The combinatorial chemistry group was divisionalized in 1998 to become Axys Advanced Technologies, and that's the group that was merged into Discovery Partners. ELLEN LUBMAN: Okay. MIKE VENUTI: So our chemistry group today is focused medicinal chemistry plus x-ray crystallography and computational chemistry. And then the rest of the staff is target identification, high throughput screening and assay development, and a significant Conference Number 1146097 Wednesday, June 13, 2001 Page 13 investment in pharmacology for both efficacy and PK ADME tox. ELLEN LUBMAN: Okay. Thank you. And regarding the potential IND width mark for cathepsin S, are you -- MALE SPEAKER: That's K. ELLEN LUBMAN: -- I'm sorry. Cathepsin K. Are you going to continue such programs, or -- MALE SPEAKER: Not only are we going to continue such programs, we've been encouraged, and one of the reasons that we're so excited about this is that we've been encouraged to continue with our collaborative approach. This company prior to 1998 was 90 percent funded through collaboration. And our expectation is that we will go back to that model. That was our plan as a stand alone company as well. So absolutely, yes. ELLEN LUBMAN: Okay. PETER CHAMBRE: Our view of the future together with Axys is that we will encourage the establishment to broad collaborations using Celera's capabilities and Axys' capabilities within the company. But we also intend to build our own proprietary internal program. So we see a varied program, a very large program going forward, and we'll certainly encourage the continuation of the collaborations that Axys has developed to date. ELLEN LUBMAN: Great. Thank you. OPERATOR: Question from Jim Reddoch of Banc of America Securities. JIM REDDOCH: Hi. How much committed funding is there left in your partnerships, I guess that's committed funding meaning money that is ex of milestones and royalties, that kind of thing? And actually the second part of the discussion is kind of Conference Number 1146097 Wednesday, June 13, 2001 Page 14 like the last question, if you have -- actually, I think I read that you had almost as many biologists, if not more than chemists. How might this affect your biology access, your biology programs in terms of discovering more targets or enhancing that part of the business? Thanks. MALE SPEAKER: Well, first of all, and I'm gonna ask Bill Newell to give a very broad brush stroke of our collaborative forward looking income. And then Mike can also talk about biology. The whole major purpose of doing any kind of collaboration for merger for Axys was to get targets so that our biologists here who are involved in the areas that Mike Venuti just mentioned can be -- can work in a fully capacitated sort of way. So we expect those programs to continue to move forward. We expect them to move forward together with the folks from Maryland, and we expect to use those same folks in the model that Peter Chambre just explained which is using the skills of Axys together with the skills of Celera, or the combined skills of Celera now, to do collaboration and to develop our own internal program. So, Bill, do you want to give just a brush stroke of those funding mechanisms? BILL NEWELL: Thank you. Thank you, Paul. Jim, we have historically been partnered with a number of major pharmaceutical companies, and those partnerships have been structured to provide for milestones, FTE support, up front payments initially when the collaborations were started and, obviously, royalties upon product commercialization. We are in the fifth year of our collaboration with Merck, and we believe we're winding down on the research phase of that as they prepare to move things forward. So there is a continuation of the research funding into the Merck collaboration through the late part of this year. In addition, in our relationship with Aventis on cathepsin S, we achieved all of the Conference Number 1146097 Wednesday, June 13, 2001 Page 15 very aggressive research milestones within the initial two year or so time frame, and they have extended our collaboration into this

third year. And we're working with them now to determine how much additional research support they're going to need on a going forward basis, so -- and that collaboration we're also reaching the end of that research phase. We will be looking to partner additional programs that we have in cathepsin S and in our VIIA, factor VIIA programs and look forward to collaborations in that regard that would provide research funding as well as the other types of traditional support. Mike, you may want to address the remainder of the question. MIKE VENUTI: With regard to our capabilities here, we basically pick up where Celera's proteomics platform leaves off. And that's what we've always had, so the complementarity is incredibly high. Our major focus that's the top end of our platform is traditional molecular biology, protein expression for crystallography and for assay development. So the results of any proteomics differential expression search from the current Celera proteomics platform would feed right into that. Now the synergies we expect to realize here by doing those protein expression, assay development exercises in massively parallel scale by approaching families of targets, and that's where synergies are gonna be realized with this. Just to calibrate you on numbers, our research staff right now is around 130 or so people. And, as I said before, we're about 55, 60 chemists on staff right now. The remainder are biologists and pharmacologists. So it starts with protein expressions through enzymology, assay development, high throughput screening. And then dovetailing with medicinal chemistry is tumor biology and animal pharmacology to determine pharmocokinetic parameters, PK, ADME, and toxin safety to nominate clinical candidates. Conference Number 1146097 Wednesday, June 13, 2001 Page 16 JIM REDDOCH: Okay. Just a quick follow on to that. I'm actually not hearing you say target validation that often. Do you have any sort of formal validating process, or -- MALE SPEAKER: Yes. We have both gene expression capabilities here through our MD Amersham gen III system, and we've also used antigens significantly to be able to deselect potential targets, rather. So those are at the early stage of our target validation. And part of the bridge that will be built in consultation with the group in Maryland is how big of a validation pipeline we need to build between the proteomics platform and the target screening capabilities here in South San Francisco. TONY WHITE: Yeah. This is Tony White. We talked about this, Jim, during the process of evaluating this opportunity. And, you know, Craig may want to comment on this, but this is an area where this transaction doesn't completely meet our needs. We're either gonna have to build aggressively or buy more stuff or something here because we don't think we've achieved everything that we want to achieve in this area of target validation. This is a good start, it's an extremely valuable move for us. We probably have more to go here, though, in this particular area. Craig, you want to comment on that? CRAIG VENTER: Yeah. Let me add just a little bit to that. Jim, as you know, we've been talking about building various aspects of this program. We think this merger acquisition with Axys adds some very critical pieces, and we're very excited about it. Part of the validation process we will still continue to add to. But one thing that a lot of people don't consider with this is the combination of chemistry with proteomics helps turn the mass back on the proteomics effort into a major validation step on its own. So there will be unique synergies that come out at that early stage. But we will be Conference Number 1146097 Wednesday, June 13, 2001 Page 17 continuing to add additional programs on top of both what's in Rockville and in San Francisco to add to the biology and add to the target validation process. JIM REDDOCH: Okay. Thanks. OPERATOR: Thank you. Your next question comes from Todd Nelson of Dain Rauscher. You may ask your question. TODD NELSON: Thank you. Hi. Congratulations on a great strategic move. Just a couple of questions, and I don't know who these are best pointed to, so let me just go ahead and ask them. Clearly on a forward basis it sounds like, you know, the core competencies that will be integrated here will be very important in advancing things towards the clinic. I wonder if somebody could just comment on Axys' sort of historical capabilities in that regard, for example, maybe some clarification on over the course of the last three years the number of programs that have advanced from pre clinical to the IND stage, number one. And then, number two, of the INDs that have been filed either independently or with partners, how many of those are still viable, and how many have, perhaps, been discontinued? And then, thirdly, of the number of partnerships, since you've been around for a long time, that you've had with pharmaceutical firms or other companies that, number one, are still ongoing or that have been renewed? CRAIG VENTER: This is Craig. Before somebody answers, let me just try and put things into context here since there's a lot loaded into that question or questions is Celera's view of this is we're adding on wonderful capabilities in medicinal chemistry and some of the up front screening and biology capabilities. So while the past records are important to some extent, our key strategic move here is adding on the wonderful scientific capabilities that Axys brings to the table. We did not do this merger acquisition Conference Number 1146097 Wednesday, June 13, 2001 Page 18 based on the pipeline that has existed or does exist. At the same time, we're not gonna ignore it either. I don't know if Paul or Mike wants to add to that. PAUL HASTINGS: Just -- let me just agree with Craig. And

having said that, though, I think given the number of years that Mike has been here at Axys and lived through these partnerships, we ought to give him a chance to at least give you folks a brief update on what those are all about. MIKE VENUTI: Yeah. I think our longest standing partnership in the protease area has been with Bayer on tryptase, which is a massed cell protease that mediates inflammation, and that's produced a series of compounds that have entered IND enabling studies and has, in some cases, been in the clinic. We had an early stage compound that went into the clinic and went through three phase two studies that gave us human proof of concept. That tryptase was a target in the treatment of asthma by the inhalation route. That compound failed in formulation to move to something that was a viable product, and since then we've looked at other series of molecules, both in collaboration with Bayer and on our own to look at inhibitors of tryptase to treat other disease. Bayer continues to look at tryptase inhibitors by the oral route. They are currently in late stage pre clinical with compounds at their respiratory center in Japan and primate models of asthma with the goal of selecting an oral tryptase inhibitor for clinical development by the end of this year. So that program was started in 1994. With regard to Merck, you've heard the status of that one, and we expect to be in the clinic early next year with our cathepsin K inhibitor. With cathepsin S, similarly, you heard that previously. Other collaborations we've had that have focused on our more early stage Conference Number 1146097 Wednesday, June 13, 2001 Page 19 capabilities were with companies like Bristol-Myers Squibb on hepatitis C NS3 protease and with Smith-Klein Beacham a few years ago on a herpes virus protease. And the current thinking on both of those targets is that they're not, unlike HIV protease, they're not at rate limiting steps in the bio replication process. And compound that we produced helped to prove that and put those targets to rest. With regard to one program that's not partnered, we're at a significantly late stage in our factor VIIA program which is an antithrombotic compound that hits the coagulation cascade, and we're hoping to partner that with a company that has a cardiovascular franchise some time really soon because we've got efficacy data that shows us that inhibiting VIIA selectively gives you a safe and effective antithrombotic compound in animal studies. So our capabilities, you know, have stretched across all sorts of relationships in terms of assay development all the way through to teeing up compounds for other companies to put into the clinic. And that's what we've really focused on here. PAUL HASTINGS: If I could just add, the -- and I'm sure the folks at Celera will be happy to comment on this. What Celera did not buy Axys for is our development capabilities, but more for the biology and chemistry capabilities. We made a decision earlier this year with APC 2059, which is a third generation tryptase inhibitor, not to continue to develop that on our own because of the amount of expense and time it will take to put that compound into the clinic. Our development capabilities here are roughly eight individuals versus the 130 that you've heard about earlier. And we made a very strong strategic decision that where our strengths are is where we wanted to continue to have our strengths and to do more biology and chemistry and take those compounds to a point where we could partner them with people who have development capabilities, and Conference Number 1146097 Wednesday, June 13, 2001 Page 20 we're in the process of doing that with 2059. PETER CHAMBRE: Let me add to what Paul said. He's quite right. The most important reason that we are proposing this acquisition is because of the exceptional capabilities that we found in chemistry and biology within Axys. The pipeline of collaborations and programs we think have value for us, but we're building capabilities for the future, and Axys' strengths play, as Craig said, right into the pipeline that Celera is developing. That's why we're having this conversation, not because of their development capabilities and not principally because of the pipeline of collaborations, although we hope those turn out to be very successful and very valuable for us. TODD NELSON: Great. Thank you. And I guess just one follow on the second generation or third generation compound that Bayer was developing. Were they using your chemistries and assays, or did they do that in house themselves? Thank you. MALE SPEAKER: Those compounds are compounds that we developed, and Bayer has optimized one particular compound for primate studies that are ongoing now with regard to extensive tox studies to qualify it for chronic disease indication. TODD NELSON: Great. Thanks very much, and congratulations. MALE SPEAKER: Thank you. OPERATOR: Thank you. Your next question comes from Ricky Goldwasser of UBS Warburg. FEMALE SPEAKER: Good morning. Given Celera's strong balance sheet, will new collaborations have more emphasis on downside revenue opportunities in terms of royalty payments? And then what percent of your resources are you gonna dedicate to further resolvement of Axys disease programs versus advancing Celera targets? And, finally, are there any similarities between Axys targets and Celera's diagnostic efforts? Conference Number 1146097 Wednesday, June 13, 2001 Page 21 MALE SPEAKER: On the first question, I don't think we know yet. You know, in terms of what shape or balance our future discussions with potential collaboration partners will take, that's subject to get a bit more review on our part and negotiations with the other party. Clearly, with the strong balance sheet we have the ability, if we

choose to do so, to fund more of our own side of the equation, take more risk on our side and, therefore, ask for a higher reward on the back end. Whether or not we'll do that I don't really know. I mean, that's a possibility. The other possibility is that we will proceed with the model that they've had to date, which is more up front risk taking by the partner, and that may be the right thing for us to do if we get to have a bouquet of products that we're pursuing on our own development. That would help us fund it. So we don't know. You know, I think that's the best way to put it. I can't remember the second part of your question. The third part was whether existing efforts complement our diagnostics effort. I don't know yet either. We haven't looked at that. I don't think anybody else has. What was the second part of your question? FEMALE SPEAKER: Second part is if you can quantify what percentage of the resources you're gonna dedicate to evolvement of existing disease programs versus advancing Celera's target. MALE SPEAKER: I don't think we've made that decision yet. You know, we're gonna take a careful look at what our opportunities are. You know, obviously some of this is subject to discovery that hasn't been made yet in the new Celera program, so we'll keep our options open. But to get this down to a percentage or a philosophy at this point is premature. Conference Number 1146097 Wednesday, June 13, 2001 Page 22 MALE SPEAKER: Let me just add that our excitement here is in taking the wonderful targets we're anticipating that's gonna come out of this huge effort in Maryland and move forward. It would be our intention as good Celera corporate citizens to do our best to take the programs that are already in Axys' pipeline that we have been in continual partnership discussions with and, as I said earlier, if we could go to a point where we were back to the original Axys operating style and get those funded, then the combined entity would participate in the up side at the end when those programs are through the clinic. So our goal here and the maintenance, if you will, of our staff here on doing these partnerships is gonna continue to do that to help with the Axys, if you will, portion of a burn rate. So our goal is to take the programs that are Axys targets today, continue to partner them, and start to work on these new and exciting targets that will come out of Celera's program. FEMALE SPEAKER: Thank you very much. OPERATOR: Thank you. Your next question comes from Jim Reddoch, Banc of America. JIM REDDOCH: Hi. I'm back. When do you expect to see, Axys, when do you expect to see those first targets being delivered to you? Thanks. MALE SPEAKER: Well, Jim, we can't comment on that. I'm not sure -- Craig might want to make some comments, forward looking statements, if you will. CRAIG VENTER: All I can say is that in our due diligence process we're quite confident that there will be a lot of work to do here. MALE SPEAKER: You know, as you know, we've outlined, you know, four key disease areas all around cancer with breast cancer, colon, pancreatic, and lung cancer. Conference Number 1146097 Wednesday, June 13, 2001 Page 23 But we've made a number of key discoveries with [UNINTELLIGIBLE] and some other areas. I think, as Tony said, this is all part of the early review that we'll have once we complete the joining of these two companies. But we clearly have things in the pipeline that we've already discussed that we could have joint programs on immediately, but I think it would be premature to declare any. JIM REDDOCH: Great. Is that other piece, the target validation piece necessary before that hand off can take place? MALE SPEAKER: There are several types of target validation. And with -- while it's not the subject of today's call, we have significant effort in immunotherapeutics that with T cell vaccines we just need a differential expression, we don't need a functional target. With both therapeutic antibodies and small molecules, we need to definitely have the targets validated in terms of their relevance to a disease process in altering those molecules, altering the disease process, and that is an early phase and ongoing process, as we said earlier, that we'll be continuing to develop quite substantially. JIM REDDOCH: Thanks. OPERATOR: Thank you. Your next question comes from Todd Nelson of Dain Rauscher. TODD NELSON: Hi. Just one follow up question. And if it's not appropriate for this call, please let me know. But if you could just discuss briefly, I know you had mentioned assay development capabilities, but if we were to look forward, and I know that's, you know, somewhat difficult at this stage to do, but to look forward some period of time, maybe 18 to 24 months, is there somebody that could discuss maybe the capacity or throughput as it relates to high throughput screening or assay development and Conference Number 1146097 Wednesday, June 13, 2001 Page 24 potentially the numbers of screens as an independent entity that you may have had up and going? MALE SPEAKER: I think it is dangerous to look forward that far, particularly with the speed that things are moving. One of the things that we are impressed with Axys is that they do have substantial assay development capabilities and very good in house high throughput screening. Obviously, with the anticipated rate of target discovery and validation, that is something that we would be expanding substantially. MALE SPEAKER: One of the things that we'll do as soon as the smoke clears here is get them to go also with [INAUDIBLE] subsidiary because they have pretty gee whiz capabilities in this area, so we need to see how that might play. We haven't had time to have those meetings yet. TODD NELSON: Okay. Thanks. OPERATOR: [INAUDIBLE]. You may ask your

question. MALE SPEAKER: Yes. Hi. Congratulations for the transaction. One thing that was not very clear from the press release are the exact terms of the transaction. What are we exactly getting as shareholders? It's 4.65, and you also mentioned there is a collar. What is the limit, I guess, on the Celera stock? [UNINTELLIGIBLE OVERLAPPING CONVERSATION] MALE SPEAKER: It's gonna take the rest of the morning here to try to give you the details of this thing, but it's basically got a -- the essence of it, and I would refer you to the press release because it's done in lawyer language, but there's a collar, I think, of about 25 percent down around the 4.65, and there's a little piece in there where [INAUDIBLE] 25 cents of value migrates to the Axys shareholder if our stock goes up. But that's the simplistic version of it. But other than that, it's pretty straightforward. Conference Number 1146097 Wednesday, June 13, 2001 Page 25 MALE SPEAKER: So, in other words, we get a 4.65 value of Celera stock plus or minus 25 percent? MALE SPEAKER: Well, -- MALE SPEAKER: And then we get fixed ratio? MALE SPEAKER: -- right. Right. MALE SPEAKER: The ratio -- this is Peter [UNINTELLIGIBLE]. The ratio is fixed between 4.65 and 4.90. So there's a band of fixed exchange ratio between those two limits. And on either side of that band, there is a 25 percent collar. So the shareholders are protected 25 percent below that to get 4.65 worth of value delivered to them and, above that, the 4.90 dollars worth of value per share at the implied price. MALE SPEAKER: I see. And what is the ratio between 4.65 and 4.90? MALE SPEAKER: I'm sorry. MALE SPEAKER: There's a full explanation as an addendum press release. MALE SPEAKER: Yes. If you look at the press release -- MALE SPEAKER: [UNINTELLIGIBLE OVERLAPPING CONVERSATION] MALE SPEAKER: -- at the back of the press release we added a section called additional information that really outlines this in very clear language. MALE SPEAKER: Oh, okay. Sorry. And are there any walk-aways or anything like that? MALE SPEAKER: There is no walk away. MALE SPEAKER: There is no walk away. Okay. Thank you very much. MALE SPEAKER: There is also the customary no solicitation provision as well as breakup fees and related expenses on the order of six and a half million dollars. MALE SPEAKER: Thank you very much. Conference Number 1146097 Wednesday, June 13, 2001 Page 26 OPERATOR: Thank you. Your next question is from Yi Ri [PHONETIC] of [INAUDIBLE]. You may ask your question. MALE SPEAKER: Yes, hi. I was wondering if you can give me an update on your three internal oncology programs and when you expect them to bring into the clinic. MALE SPEAKER: Didn't we just do that? MALE SPEAKER: He's asking about [INAUDIBLE] MALE SPEAKER: [UNINTELLIGIBLE] inhibitor and the [UNINTELLIGIBLE] B. MALE SPEAKER: Yeah. All three of those programs are right now in pivotal animal studies to select development candidates. Our urokinase program is being done in collaboration with a Von Hoff lab at the Arizona Cancer Center where we're doing studies alone and in combination with our urokinase inhibitors with [UNINTELLIGIBLE] the standard therapy for pancreatic cancer. And so if those studies work we'd expect to nominate a [UNINTELLIGIBLE] urokinase compound within six to nine months. With regard to our estrogen receptor beta program, that's a collaboration with the signal research division of Celgene. There is a compound currently in animal studies, and we expect to repeat those studies with an oral compound within the next three months to determine whether we're gonna nominate an oral compound for the treatment of prostate cancer. My window on that would be somewhere around nine to twelve months. And with regard to our apoptosis induction program which is a collaboration with Cytovia, a former Cytovia group that's now part of Maxim Pharmaceuticals, we are in lead optimization and compound selection. And the first tumor biology experiments have Conference Number 1146097 Wednesday, June 13, 2001 Page 27 begun here in colon cancer. We'd expect a series of compounds to come out of that collaboration, and we would expect to select a compound within the next nine to twelve months if those studies are positive. MALE SPEAKER: Great. Thank you. OPERATOR: Thank you. Your next question is from Vincent Ida from Paramount Capital. You may ask your question. VINCENT IDA: Good morning. Congratulations on the deal here. I was hoping that considering Axys' demonstrated capabilities in structure based chemistry and molecule design, how much Celera viewed this purchase as an opportunity to leverage some of their computer capabilities into developing some sort of industrialized structural proteomics approach and structure based drug design and what Celera's thoughts are with regards to that aspect of proteomics? MALE SPEAKER: Craig. CRAIG VENTER: Yeah. This is Craig. Let me comment on that briefly. We're very impressed with their overall chemistry capabilities, particularly they really have shown on their structural chemistry and the structural determination side of things. That has not escaped our attention. Clearly, as we move forward one of the emphasis we placed is on the computational approaches to biology and chemistry, and we see this as nothing but a tremendous opportunity to enhance those capabilities. VINCENT IDA: Okay. OPERATOR: Thank you. Your final question comes from Mark Ork of Blazer Capital. You may ask your question. PAUL GLAZER: Hi. This is Paul Glazer [PHONETIC]. I was just trying to get

an idea about when you expect the merger to close and if there are any other conditions to closing. Conference Number 1146097 Wednesday, June 13, 2001 Page 28 PETER: This is Peter Rhodes [PHONETIC]. There are customary conditions to closing including regulatory approval, you know, and that's really what it's gonna take for us to close it. Hope to close it some time, you know, early in the fall, September, October time frame. But, again, it is really subject to the customary closing provisions including, of course, shareholder approval from the Axys shareholders. MALE SPEAKER: Let me just be really clear, having been down this road a few times, we cannot accurately predict when we will be able to close. We want to close as soon as possible. We've written the agreement in a manner that is as simple as possible, so -- and the obstacles between the parties to closing are de minimis. But there are third parties and there are shareholder approval issues, so I don't want you to take away from that answer that we've got a date in mind because -- we'll do it as soon as we can, but we have to get the necessary -- PAUL GLAZER: What are those third, if you can elaborate, what are the third party approvals that would be needed outside of shareholders? MALE SPEAKER: Well, regulatory, -- PAUL GLAZER: Okay. MALE SPEAKER: -- for example. PAUL GLAZER: Anything else, any other companies? MALE SPEAKER: You know, I really don't know what else might come up. I'm not signaling that there is anything else. But I just know that for some reason these things seem to take time. I don't think -- I don't think that the regulators will look at this and see that it's -- it's not on their radar screen in terms of any antitrust issues and so forth. But, again, I have to let them make that judgment. MALE SPEAKER: But there are no other third -- you asked the question if Conference Number 1146097 Wednesday, June 13, 2001 Page 29 there's other companies that have to approve, and the answer to that is no. MALE SPEAKER: No. None of the partners that Axys has, for example, have any veto power over this or anything like that. There are no provisions like that that we're aware of. PAUL GLAZER: Okay. Thank you. MALE SPEAKER: Okay. Great. With that, we'd like to thank you all for participating on today's call. It will be -- there will be information about availability of replay on the website for both Celera and Axys as well as links to replay of the web cast. Thank you very much. [END OF CONFERENCE CALL]