

CERUS CORP  
Form 424B5  
March 14, 2013  
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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-178480

PROSPECTUS SUPPLEMENT  
(To the Prospectus dated January 10, 2012)

## 8,333,333 Shares

### Common Stock

We are offering 8,333,333 shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

Our common stock is listed on The NASDAQ Global Market under the symbol CERS. The last reported sale price of our common stock on March 13, 2013 was \$4.20 per share.

**Our business and an investment in our common stock include significant risks. See Risk Factors on page S-4 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2012, which has been filed with the Securities and Exchange Commission and is incorporated by reference in this prospectus supplement.**

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

	<i>Per Share</i>	<i>Total</i>
Public offering price	\$ 4.200	\$ 34,999,999
Underwriting discount from 3,833,333 shares offered to the public	0.084	322,000
Proceeds, before expenses, to us from 3,833,333 shares offered to the public	4.116	15,777,999
Underwriting discount from remaining 4,500,000 shares offered to the public	0.252	1,134,000
Proceeds, before expenses, to us from remaining 4,500,000 shares offered to the public	3.948	17,766,000

**Total proceeds, before expenses, to us from all shares offered to the public** **33,543,999**

The underwriters may also purchase up to an additional 1,250,000 shares from us at the public offering price, less an underwriting discount of \$0.252 per share, within 30 days from the date of this prospectus supplement to cover overallotments, if any. If the underwriters exercise the option in full, the total discount will be \$1,771,000 and the total net proceeds, before expenses, to us will be \$38,478,999.

The underwriters expect to deliver the shares against payment on or about March 19, 2013.

## **Cowen and Company**

*Sole Book-Running Manager*

**Baird**

**Wedbush PacGrow Life Sciences**  
*Co-Managers*

**Lazard Capital Markets**

March 14, 2013.

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**Prospectus**

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus dated January 10, 2012, including the documents incorporated by reference therein, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. 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 or in any document incorporated by reference that was filed with the Securities and Exchange Commission, or SEC, before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

We have not, and the underwriters have not, authorized anyone to provide you with different information than that contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus that we have authorized for use in connection with this offering. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, and in any free writing prospectus that we have authorized for use in connection with this offering, is accurate only as of the date of those respective documents. Our business, financial condition, results of operations and prospects may have changed since those dates. You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering, in their entirety before making an investment decision. You should also read and consider the information in the documents to which we have referred you in the sections of this prospectus supplement entitled "Where You Can Find More Information" and "Incorporation of Certain Information by Reference."

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to Cerus, Cerus Corporation, we, us and our refer to Cerus Corporation, a Delaware corporation, and its wholly-owned subsidiary, Cerus Europe B.V.

This prospectus supplement, the accompanying prospectus and the information incorporated herein and therein by reference include trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included or incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights certain information about us, this offering and selected information contained elsewhere in or incorporated by reference into this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in our common stock. For a more complete understanding of our company and this offering, we encourage you to read and consider carefully the more detailed information in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference in this prospectus supplement and the accompanying prospectus, and the information included in any free writing prospectus that we have authorized for use in connection with this offering, including the information under the heading *Risk Factors* in this prospectus supplement on page S-4.*

**Cerus Corporation**

**Our Business**

We are a biomedical products company focused on developing and commercializing the INTERCEPT Blood System to enhance blood safety. The INTERCEPT Blood System, which is based on our proprietary technology for controlling biological replication, is designed to inactivate blood-borne pathogens in donated blood components intended for transfusion.

We have worldwide rights for our INTERCEPT Blood System for three blood components: platelets, plasma and red blood cells. The INTERCEPT Blood System for platelets, or platelet system, and the INTERCEPT Blood System for plasma, or plasma system, have received CE marks and are being marketed and sold in a number of countries around the world including those in Europe, The Commonwealth of Independent States, or CIS, and the Middle East. We sell both the platelet and plasma systems using our direct sales force and through distributors.

We are developing the INTERCEPT Blood System for red blood cells, or red blood cell system, and plan to perform in vitro studies and clinical trials. Subject to the availability of adequate funding from partners and/or capital markets, we intend to complete development activities for the red blood cell system necessary for potential regulatory approval in Europe. We are currently enrolling patients in a Phase II recovery and lifespan study and plan to complete that trial and certain other prerequisites before proposing a Phase III clinical trial protocol for the red blood cell system in support of approval in the United States. These development activities will result in increased research and development expenses in future periods, and our ability to conduct and complete any future clinical trials of the red blood cell system to support approval in the United States is subject to our ability to generate sufficient cash flows from our operations or obtain adequate funding from external sources. In any event, we will be required to obtain additional capital in order to complete the development of and obtain any regulatory approvals for the red blood cell system.

The United States Food and Drug Administration, or FDA, accepted our proposed modular Premarket Approval Application, or PMA, shell for review of our plasma system. We will proceed with a modular PMA approach, in which we will submit sections, or modules, of the PMA at different times and the compilation of these sections or modules will become a complete PMA. We believe that the modular approach increases the likelihood that we will be able to resolve any deficiencies identified by FDA earlier in the review process. Based on our recent discussions with the FDA, we believe that our existing clinical data is sufficient for the clinical requirements of the PMA submission process for the plasma system. In February 2013, we also reached agreement with the FDA regarding our platelet system. The FDA indicated that our existing clinical trial and European haemovigilance data will be sufficient to submit a proposal for a modular PMA submission for the platelet system without the need to complete additional Phase III clinical trials at this time. The submission of the PMA modules for our plasma system, and potentially for our platelet system, will result in increased research and development expenses in future periods. Should the FDA require us to complete any additional clinical trials, our ability to conduct and complete any additional clinical trials to support approval in the United States would be subject to our ability to generate sufficient cash flows from our operations or obtain adequate funding from external sources before we initiate any additional trials.

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We recognize product revenues from the sale of our platelet and plasma systems in a number of countries around the world including those in Europe, the CIS and the Middle East. Although our revenues have grown over time, if we are unable to gain widespread commercial adoption in markets where our blood safety products are approved for commercialization, we will have difficulties achieving profitability. In order to commercialize all of our products and product candidates, we will be required to conduct significant research, development, preclinical and clinical evaluation, commercialization and regulatory compliance activities for our product candidates, which, together with anticipated selling, general and administrative expenses, are expected to result in substantial losses. Accordingly, we may never achieve a profitable level of operations in the future.

**Corporate Information**

We were incorporated in California in 1991 and reincorporated in Delaware in 1996. Our corporate address is 2550 Stanwell Drive, Concord, California 94520, and our telephone number is (925) 288-6000. Our website address is [www.cerus.com](http://www.cerus.com). Information found on, or accessible through, our website is not a part of, and is not incorporated into, this prospectus supplement, and you should not consider it part of this prospectus supplement or the accompanying prospectus. Our website address is included in this document as an inactive textual reference only.

**Table of Contents****The Offering**

Common stock offered by us	8,333,333 shares
Overallotment option Common stock to be outstanding immediately after this offering	1,250,000 shares  64,585,603 shares
Use of proceeds	We intend to use the net proceeds from this offering for clinical development and other research and development activities related to the INTERCEPT Blood System, preparatory activities for the potential commercialization of the INTERCEPT Blood System in the United States and elsewhere, and for other general corporate purposes, including regulatory activity, selling, general and administrative expenses and working capital. In addition, we may use a portion of the net proceeds from this offering to prepay the remaining outstanding indebtedness under our growth capital loan with Comerica Bank. See <i>Use of Proceeds</i> on page S-6 of this prospectus supplement.
Risk factors	Investing in our common stock involves significant risks. See <i>Risk Factors</i> on page S-4 of this prospectus supplement.

NASDAQ Global Market symbol

CERS

The number of shares of our common stock to be outstanding immediately after this offering as shown above is based on 56,252,270 shares outstanding as of December 31, 2012, and excludes, as of that date:

8,504,110 shares of common stock issuable upon the exercise of outstanding stock options with a weighted-average exercise price of \$3.40 per share;

2,400,000 shares of common stock issuable upon the exercise of outstanding warrants with an exercise price of \$2.90 per share;

3,679,127 shares of common stock issuable upon the exercise of outstanding warrants with an exercise price of \$3.20 per share;

53,973 shares of common stock issuable upon the vesting of outstanding restricted stock units; and

up to an aggregate of 4,903,352 shares of common stock remaining available for future issuance under our 2008 Equity Incentive Plan and 1996 Employee Stock Purchase Plan.

In addition, the number of shares of our common stock to be outstanding immediately after this offering as shown above does not include the up to approximately \$25.6 million of shares of our common stock that remained available for sale at December 31, 2012 under our At-The-Market Issuance Sales Agreement, dated as of June 3, 2011, as amended January 4, 2012 and August 31, 2012, or the MLV Agreement, by and between us and MLV & Co. LLC, and our Controlled Equity Offering<sup>SM</sup> Sales Agreement, dated as of August 31, 2012, or the Cantor Agreement, by and between us and Cantor Fitzgerald & Co. Between December 31, 2012 and the date of this prospectus supplement, we sold an aggregate of

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3,755,423 shares of our common stock for gross proceeds of approximately \$13.3 million under the MLV Agreement and the Cantor Agreement, which we refer to collectively as the Sales Agreements in this prospectus supplement.

Except as otherwise indicated, all information in the prospectus supplement assumes no exercise by the underwriters of their overallotment option.

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**RISK FACTORS**

*An investment in our common stock involves a high degree of risk. Before deciding whether to invest in our common stock, you should consider carefully the risks described below and discussed under the section captioned **Risk Factors** contained in our Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this prospectus supplement and the accompanying prospectus in its entirety, together with the other information in this prospectus supplement, the accompanying prospectus, the information and documents incorporated by reference and any free writing prospectus that we have authorized for use in connection with this offering. If any of these risks actually occurs, our business, financial condition, results of operations or cash flows could be seriously harmed. This could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment.*

**Risks Related to This Offering**

*Management will have broad discretion as to the use of the proceeds from this offering, and we may not use the proceeds effectively.*

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. Our failure to apply these funds effectively could have a material adverse effect on our business, delay the development of our product candidates and cause the price of our common stock to decline.

*If you purchase the common stock sold in this offering, you will experience immediate and substantial dilution in your investment. You will experience further dilution if we issue additional equity securities in future fundraising transactions.*

Since the price per share of our common stock being offered is substantially higher than the net tangible book value per share of our common stock, you will suffer substantial dilution with respect to the net tangible book value of the common stock you purchase in this offering. Based on the public offering price of \$4.20 per share and our net tangible book value as of December 31, 2012, if you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of \$3.44 per share with respect to the net tangible book value of the common stock. See the section entitled **Dilution** below for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering.

If we issue additional common stock, or securities convertible into or exchangeable or exercisable for common stock following the expiration or earlier waiver of the lock-up agreement we entered into with the underwriters as described in the section entitled **Underwriting**, including pursuant to the Sales Agreements, our stockholders, including investors who purchase shares of common stock in this offering, could experience additional dilution, and any such issuances may result in downward pressure on the price of our common stock.

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus, the documents we have filed with the SEC that are incorporated by reference and any free writing prospectus that we have authorized for use in connection with this offering contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements relate to future events or to our future operating or financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements may include, but are not limited to, statements about:

our ability to commercialize and achieve market acceptance of the INTERCEPT Blood System;

the anticipated progress and successful completion of our research, development and clinical programs, and our ability to manage cost increases associated with pre-clinical and clinical development of the INTERCEPT Blood System;

our ability to obtain and maintain regulatory approvals of the INTERCEPT Blood System;

the ability of our products to inactivate pathogens that may emerge in the future;

our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others;

the use of proceeds from this offering; and

our estimates regarding the sufficiency of our cash resources and our need for additional funding.

In some cases, you can identify forward-looking statements by terms such as may, will, should, could, would, expects, plans, anticipates, believes, estimates, projects, predicts, potential and similar expressions intended to identify forward-looking statements. These statements represent our current views with respect to future events, are based on assumptions and are subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We discuss many of these risks in greater detail under the heading Risk Factors on page S-4 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. Also, these forward-looking statements represent our estimates and assumptions only as of the date of the document containing the applicable statement.

You should read this prospectus supplement, the accompanying prospectus, the documents we have filed with the SEC that are incorporated by reference and any free writing prospectus that we have authorized for use in connection with this offering completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in the foregoing documents by these cautionary statements.

Unless required by law, we undertake no obligation to update or revise any forward-looking statements to reflect new information or future events or developments. Thus, you should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements.

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**USE OF PROCEEDS**

We estimate that the net proceeds from the sale of the 8,333,333 shares of common stock that we are offering will be approximately \$33.1 million, or approximately \$38.0 million if the underwriters exercise in full their option to purchase up to 1,250,000 additional shares of common stock, after deducting the underwriting discount and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for clinical development and other research and development activities related to the INTERCEPT Blood System, preparatory activities for potential commercialization of the INTERCEPT Blood System in the United States and elsewhere, and for other general corporate purposes, including regulatory activity, selling, general and administrative expenses and working capital. In addition, we may use a portion of the net proceeds from this offering to prepay the remaining outstanding indebtedness under our growth capital loan with Comerica Bank, with any such repayment, and the timing thereof, at our discretion. Our loan and security agreement that we entered into with Comerica Bank on September 30, 2011, as amended on December 13, 2011 and June 30, 2012, provides for an aggregate borrowing of up to \$12.0 million, comprised of a growth capital loan of \$5.0 million and a formula based revolving line of credit of up to \$7.0 million. In September 2011, we borrowed \$5.0 million of the growth capital loan, of which \$4.2 million principal amount remains outstanding as of the date of this prospectus supplement. Borrowings under the loan and security agreement are secured by all of our assets, except intellectual property, with the growth capital loan carrying a fixed interest rate of 6.37% with equal principal and interest payments under the growth capital loan scheduled until August 2015. Substantially all of the proceeds from the growth capital loan were used to repay our prior debt with Oxford Finance Corporation, with the remainder used for general corporate purposes. The amounts and timing of our use of the net proceeds from this offering will depend on a number of factors, such as the timing and progress of our research and development efforts, the timing and progress of any partnering and commercialization efforts, technological advances and the competitive environment for our products. As of the date of this prospectus supplement, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. Accordingly, our management will have broad discretion in the application of these proceeds. Pending application of the net proceeds as described above, we intend to temporarily invest the proceeds in short-term, interest-bearing instruments.

**DIVIDEND POLICY**

We have not declared or paid dividends on our common stock and do not intend to pay cash dividends on our common stock in the foreseeable future. Additionally, any cash dividends declared or paid would require prior written consent under the terms of our loan and security agreement with Comerica Bank.

**Table of Contents****DILUTION**

Our net tangible book value as of December 31, 2012 was approximately \$16.2 million, or \$0.29 per share. Net tangible book value per share is determined by dividing our total tangible assets, less total liabilities, by the number of shares of our common stock outstanding as of December 31, 2012. Dilution with respect to net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock in this public offering and the net tangible book value per share of our common stock immediately after this public offering.

After giving effect to the sale of 8,333,333 shares of our common stock in this offering at the public offering price of \$4.20 per share and after deducting the underwriting discount and estimated offering expenses payable by us, our as adjusted net tangible book value as of December 31, 2012 would have been approximately \$49.3 million, or \$0.76 per share. This represents an immediate increase in net tangible book value of \$0.47 per share to existing stockholders and immediate dilution of \$3.44 per share to investors purchasing our common stock in this offering at the public offering price. The following table illustrates this dilution on a per share basis:

Public offering price per share	\$ 4.20
Net tangible book value per share of as December 31, 2012	\$ 0.29
Increase in net tangible book value per share attributable to investors purchasing our common stock in this offering	0.47
As adjusted net tangible book value per share after this offering	0.76
Dilution per share to investors purchasing our common stock in this offering	\$ 3.44

If the underwriters exercise in full their option to purchase up to 1,250,000 additional shares of common stock, the as adjusted net tangible book value after this offering would be \$0.82 per share, representing an increase in net tangible book value of \$0.53 per share to existing stockholders and immediate dilution of \$3.38 per share to investors purchasing our common stock in this offering at the public offering price.

The above discussion and table are based on 56,252,270 shares outstanding as of December 31, 2012, and exclude as of that date:

8,504,110 shares of common stock issuable upon the exercise of outstanding stock options with a weighted-average exercise price of \$3.40 per share;

2,400,000 shares of common stock issuable upon the exercise of outstanding warrants with an exercise price of \$2.90 per share;

3,679,127 shares of common stock issuable upon the exercise of outstanding warrants with an exercise price of \$3.20 per share;

53,973 shares of common stock issuable upon the vesting of outstanding restricted stock units; and

up to an aggregate of 4,903,352 shares of common stock remaining available for future issuance under our 2008 Equity Incentive Plan and 1996 Employee Stock Purchase Plan.

In addition, the discussion and table above exclude the up to approximately \$25.6 million of shares of our common stock that remained available for sale at December 31, 2012 under the Sales Agreements. Between December 31, 2012 and the date of this prospectus supplement, we sold an aggregate of 3,755,423 shares of our common stock for gross proceeds of approximately \$13.3 million under the Sales Agreements.

To the extent that outstanding options or warrants are exercised or other shares issued, including sales of our common stock pursuant to the Sales Agreements following the expiration or waiver of the lock-up agreement we entered into with the underwriters as described in the section

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entitled Underwriting, investors purchasing our common stock in this offering may experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

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**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR  
NON-U.S. HOLDERS OF COMMON STOCK**

The following is a discussion of certain U.S. federal income tax considerations to non-U.S. holders with respect to their ownership and disposition of our common stock issued pursuant to this offering (as defined below).

This discussion is based on current provisions of the Internal Revenue Code, U.S. Treasury Regulations promulgated under the Internal Revenue Code, judicial opinions, published positions of the Internal Revenue Service, or IRS, and all other applicable authorities, all of which are subject to change, possibly with retroactive effect. No ruling has been or will be sought from the IRS with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position or that any such contrary position would not be sustained by a court. This discussion assumes that the non-U.S. holder will hold our common stock as a capital asset (generally property held for investment).

This discussion does not address all aspects of U.S. federal income taxation or any aspects of alternative minimum, medicare contribution, estate, state, local, or non-U.S. taxation. It also does not consider any specific facts or circumstances that may apply to particular non-U.S. holders that may be subject to special treatment under the U.S. federal income tax laws, including, but not limited to:

insurance companies;

tax-exempt organizations;

financial institutions;

regulated investment companies;

tax-qualified retirement plans;

brokers or dealers in securities;

investors that hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;

controlled foreign corporations;

passive foreign investment companies; and

U.S. expatriates.

For purposes of this discussion, the term non-U.S. Holder means a beneficial owner of our shares that is not a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) and is not:

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an individual who is a citizen or resident of the United States;

a corporation created or organized in the United States or under the laws of the United States or of any state thereof or the District of Columbia;

an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of the trust's substantial decisions or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership or any other entity or arrangement taxed as a partnership for U.S. federal income tax purposes is a beneficial owner of our common stock, the treatment of a partner in the partnership will generally depend upon the status of the equity owner of such partnership and the activities of the partnership. Accordingly, partnerships (and entities and arrangements taxed as partnerships) that hold our common stock and owners in such partnerships (or other entities or arrangements taxed as partnerships) are urged to consult their tax advisors regarding the specific U.S. federal income tax consequences to them of acquiring, owning or disposing of our common stock.

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**PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF SHARES OF OUR COMMON STOCK, AS WELL AS THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSIDERATIONS OF ACQUIRING, OWNING AND DISPOSING OF SHARES OF COMMON STOCK.**

**Distributions**

We do not anticipate declaring or paying any cash distributions on our common stock in the foreseeable future. However, if we do make distributions on our common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, they will constitute a return of capital and will first reduce the recipient's adjusted tax basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock as described below under the heading Gain on Sale or Other Disposition of Common Stock.

Dividends paid to a non-U.S. holder will be subject to U.S. federal withholding tax at a rate equal to 30 percent of the gross amount of the dividend, or a lower rate prescribed by an applicable income tax treaty, unless the dividends are effectively connected with a trade or business carried on by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment maintained by the non-U.S. holder). Under applicable Treasury Regulations, a non-U.S. holder will be required to satisfy certain certification requirements, generally on IRS Form W-8BEN (or applicable successor form), directly or through an intermediary, in order to claim a reduced rate of withholding under an applicable income tax treaty. If tax is withheld in an amount in excess of the amount prescribed by an applicable income tax treaty, a refund of the excess amount may be obtained by the non-U.S. holder by timely filing an appropriate claim for refund with the IRS.

Dividends that are effectively connected with such a U.S. trade or business (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment maintained by the recipient) will not be subject to U.S. withholding tax if the non-U.S. holder files the required forms, generally an IRS Form W-8ECI (or applicable successor form), with the payor of the dividend, but instead will be subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a resident of the United States. A foreign corporation that receives dividends constituting effectively connected income may, under certain circumstances, be subject to an additional branch profits tax at a rate of 30 percent, or a lower rate prescribed by an applicable income tax treaty, with respect to such effectively connected income.

**Gain on Sale or Other Disposition of Common Stock**

A non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of the non-U.S. holder's shares of common stock unless:

the gain is effectively connected with a trade or business carried on by the non-U.S. holder within the United States (and, if required by an applicable tax treaty, is attributable to a U.S. permanent establishment or a fixed base maintained by the non-U.S. holder), in which case the non-U.S. holder generally will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates and, if the non-U.S. holder is a corporation, the branch profits tax may apply, at a 30 percent rate or such lower rate as may be specified by an applicable income tax treaty;

the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of disposition (and is not otherwise treated as a U.S. resident alien for U.S. federal income tax purposes) and certain other conditions are met, in which case the non-U.S. holder will be required to pay a flat 30 percent tax (or such lower rate as may be specified by an applicable income tax treaty between the United States and such non-U.S. holder's country of residence) on the



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net gain derived from the disposition, which tax may be offset by U.S. source capital losses, if any, provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses; or

our common stock constitutes a U.S. real property interest by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock.

We believe that we are not currently and will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as U.S. real property interests only if the non-U.S. holder actually or constructively held more than five percent of our common stock at any time during the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock.

### **Information Reporting and Backup Withholding**

We must report annually to the IRS and to each non-U.S. holder the amount of dividends on our common stock, the name and address of the recipient and the amount, if any, of tax withheld. These information reporting requirements apply even if withholding was not required because the dividends were effectively connected dividends or withholding was reduced by an applicable income tax treaty. Under tax treaties or other agreements, the IRS may make its reports available to tax authorities in the country in which the non-U.S. holder resides or is established.

Dividend payments made to a non-U.S. holder that is not an exempt recipient generally will be subject to backup withholding at the then applicable rate (currently 28 percent) unless the non-U.S. holder certifies as to its foreign status, which certification may be made by providing the Company with an IRS Form W-8BEN or IRS Form W-8ECI, as applicable, and certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient.

Proceeds from the sale or other disposition of common stock by a non-U.S. Holder effected by or through a U.S. office of a broker will generally be subject to information reporting and backup withholding, currently at a rate of 28 percent unless the non-U.S. Holder certifies to the payor under penalties of perjury as to, among other things, its name, address and status as a non-U.S. Holder or otherwise establishes an exemption. Payment of disposition proceeds effected outside the United States by or through a non-U.S. office of a non-U.S. broker generally will not be subject to information reporting or backup withholding if the payment is not received in the United States. Information reporting, but generally not backup withholding, will apply to such a payment if the broker has certain connections with the United States unless the broker has documentary evidence in its records that the beneficial owner thereof is a non-U.S. Holder and specified conditions are met or an exemption is otherwise established.

Backup withholding is not an additional tax. Rather, the amount of tax withheld is applied to the U.S. federal income tax liability of persons subject to backup withholding. If backup withholding results in an overpayment of U.S. federal income taxes, a refund may be obtained, provided the required documents are timely filed with the IRS.

### **Foreign Accounts**

The Internal Revenue Code generally will impose a U.S. federal withholding tax of 30 percent on dividends and the gross proceeds of a disposition of our common stock paid to a foreign financial institution (as

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specifically defined for this purpose) unless such institution enters into an agreement with the U.S. government to, among other things, withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). A U.S. federal withholding tax of 30 percent also applies to dividends and the gross proceeds of a disposition of our common stock to a non-financial foreign entity unless such entity provides the withholding agent with either a certification that it does not have any substantial direct or indirect U.S. owners or provides information regarding direct and indirect U.S. owners of the entity. The withholding provisions described above will generally apply to dividends on our common stock paid on or after January 1, 2014 and with respect to gross proceeds of a sale or other disposition of our common stock on or after January 1, 2017. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes.

**Table of Contents****UNDERWRITING**

We and the underwriters for the offering named below have entered into an underwriting agreement with respect to the common stock being offered. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase from us the number of shares of our common stock set forth opposite its name below. Cowen and Company, LLC is the representative of the underwriters.

<b>Underwriter</b>	<b>Number of Shares</b>
Cowen and Company, LLC	5,000,000
Robert W. Baird & Co. Incorporated	1,458,333
Wedbush Securities Inc	1,041,667
Lazard Capital Markets LLC	833,333
<b>Total</b>	<b>8,333,333</b>

The underwriting agreement provides that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased, other than those shares covered by the overallotment option described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect thereof.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel and other conditions specified in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

**Overallotment option to purchase additional shares.** We have granted to the underwriters an option to purchase up to 1,250,000 additional shares of common stock at the public offering price, less the underwriting discount. This option is exercisable for a period of 30 days. The underwriters may exercise this option solely for the purpose of covering overallotments, if any, made in connection with the sale of common stock offered hereby. To the extent that the underwriters exercise this option, the underwriters will purchase additional shares from us in approximately the same proportion as shown in the table above.

**Discounts and commissions.** The following table shows the public offering price, underwriting discount and proceeds, before expenses, to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

We estimate that the total expenses of the offering, excluding the underwriting discount, will be approximately \$455,000 and are payable by us.

	<b>Per Share</b>	<b>Without Overallotment</b>	<b>Total With Overallotment</b>
Public offering price	\$ 4.200	\$ 34,999,999	\$ 40,249,999
Underwriting discount from 3,833,333 shares offered to the public	0.084	322,000	322,000
Proceeds, before expenses, to us from 3,833,333 shares offered to the public	4.116	15,777,999	15,777,999
Underwriting discount from remaining shares offered to the public	0.252	1,134,000	1,449,000
Proceeds, before expenses, to us from remaining shares offered to the public	3.948	17,766,000	22,701,000
Total proceeds, before expenses, to us from all shares offered to the public		33,543,999	38,478,999

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The underwriters propose to offer the shares of common stock to the public at the public offering price set forth on the cover of this prospectus supplement. The underwriters may offer the shares of common stock referenced in the table above to securities dealers at the public offering price less, in the case of the 3,833,333 shares purchased from us and referenced in the table above, a concession not in excess of \$0.0504 per share, and in the case of the remaining shares of common stock purchased from us, a concession not in excess of 0.1512 per share. If all of the shares are not sold at the public offering price, the underwriters may change the offering price and other selling terms.

Blueprint Life Science Group, LLC and MLV & Co. LLC acted as our financial advisors in connection with the offering. The estimated expenses of this offering include the fees for services rendered as our financial advisor in connection with this offering. Lazard Frères & Co. LLC referred this transaction to Lazard Capital Markets LLC and will receive a referral fee from Lazard Capital Markets LLC in connection therewith.

**Discretionary accounts.** The underwriters do not intend to confirm sales of the shares to any accounts over which they have discretionary authority.

**Stabilization.** In connection with this offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions, penalty bids and purchases to cover positions created by short sales.