

PHARMION CORP
Form DEF 14A
April 29, 2005

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

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 Pursuant to §240.14a-12

Pharmion Corporation

(Name of Registrant as Specified In Its Charter)

(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)(4) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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:

4) Date Filed:

PHARMION CORPORATION
2525 28th Street, Suite 200
Boulder, Colorado 80301

April 29, 2005

Dear Stockholder,

We cordially invite you to attend our 2005 annual meeting of stockholders to be held at 8:30 a.m. on Wednesday, June 1, 2005 at the St. Julien Hotel located at 900 Walnut Street, Boulder, Colorado 80302. The attached notice of annual meeting and proxy statement describe the business we will conduct at the meeting and provide information about Pharmion Corporation that you should consider when you vote your shares.

When you have finished reading the proxy statement, please promptly vote your shares by marking, signing, dating and returning the proxy card in the enclosed prepaid envelope. If you hold your shares through a broker, you may also be able to vote your shares on the Internet or by telephone. We encourage you to vote by proxy so that your shares will be represented and voted at the meeting, whether or not you can attend.

Thank you for your cooperation.

Sincerely,

PATRICK J. MAHAFFY
President and Chief Executive Officer

PHARMION CORPORATION
2525 28th Street, Suite 200
Boulder, Colorado 80301

April 29, 2005

NOTICE OF 2005 ANNUAL MEETING OF STOCKHOLDERS

TIME: 8:30 a.m.

DATE: Wednesday, June 1, 2005

PLACE: St. Julien Hotel, 900 Walnut Street, Boulder, Colorado 80302

PURPOSES:

1. To elect three (3) directors to serve until our 2008 Annual Meeting of Stockholders.
2. To ratify the audit committee's appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2005.
3. To approve a proposed amendment to the Company's 2000 Stock Incentive Plan to increase by 1,500,000 the number of shares of Common Stock reserved for issuance thereunder.
4. To approve a proposed amendment to the Company's 2001 Non-Employee Director Stock Option Plan to increase by 100,000 the number of shares of Common Stock reserved for issuance thereunder.
5. To transact such other business as may properly come before the Annual Meeting of Stockholders or any adjournments thereof.

WHO MAY VOTE:

You are entitled to notice of, and to vote at, the Annual Meeting of Stockholders or any adjournments thereof if you were the record owner of Pharmion Corporation stock at the close of business on April 29, 2005. A list of stockholders of record will be available at the meeting and, during the 10 days prior to the meeting, at the Investor Relations office at the above address.

By Order of the Board of Directors

STEVEN DUPONT
Secretary

TABLE OF CONTENTS

	Page
GENERAL INFORMATION ABOUT THE ANNUAL MEETING	1
Why Did You Send Me this Proxy Statement?	1
How Many Votes Do I Have?	1
How Do I Vote?	1
How Do I Vote by Proxy?	1
How Does our Board of Directors Recommend That I Vote on the Proposals?	1
May I Revoke My Proxy?	2
How Do I Vote in Person?	2
What Vote is Required to Approve Each Proposal?	2
What is the Effect of Broker Non-Votes, Withholdings and Abstentions?	2
Is Voting Confidential?	3
What Are the Costs of Soliciting these Proxies?	3
What Constitutes a Quorum for the Meeting?	3
Attending the Annual Meeting	3
Voting	3
Householding of Annual Disclosure Documents	3
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	4
MANAGEMENT	6
The Board of Directors	6
Committees of the Board of Directors and Meetings	7
Compensation Committee Interlocks and Insider Participation	9
Shareholder Communications to the Board	9
Compensation of Directors	9
Executive Officers	9
EXECUTIVE COMPENSATION	10
Summary Compensation Table	10
Option Grants in Our Last Fiscal Year	11
Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values	12
Equity Compensation Plan	12
Employment Agreements and Change in Control Provisions	13
REPORT OF COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION	15
OTHER INFORMATION	18
Performance Graph	18
Section 16(a) Beneficial Ownership Reporting Compliance	18
Certain Relationships and Related Transactions	19
REPORT OF AUDIT COMMITTEE	20
ELECTION OF DIRECTORS	21
INDEPENDENT PUBLIC ACCOUNTANTS	22
INCREASE IN THE AGGREGATE NUMBER OF SHARES FOR WHICH STOCK OPTIONS MAY BE RANTED UNDER THE COMPANY S 2000 STOCK INCENTIVE PLAN	24
INCREASE IN THE AGGREGATE NUMBER OF SHARES FOR WHICH STOCK OPTIONS MAY BE GRANTED UNDER THE COMPANY S 2001 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN	27
CODE OF CONDUCT AND ETHICS	29
OTHER MATTERS	29

PHARMION CORPORATION
2525 28th Street, Suite 200
Boulder, Colorado 80301
PROXY STATEMENT FOR THE PHARMION CORPORATION
2005 ANNUAL MEETING OF STOCKHOLDERS
GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Why Did You Send Me this Proxy Statement?

We sent you this proxy statement and the enclosed proxy card because our board of directors is soliciting your proxy to vote at the 2005 annual meeting of stockholders and any adjournments of the meeting. This proxy statement summarizes the information you need to know to vote at the annual meeting. You do not need to attend the annual meeting to vote your shares. Instead, you may vote your shares by marking, signing, dating and returning the enclosed proxy card. If you hold your shares through a broker you may also be able to vote your shares either via the Internet or by telephone.

On or about May 2, 2005 we began sending this proxy statement, the attached notice of annual meeting and the enclosed proxy card to all stockholders entitled to notice of, and to vote at, the annual meeting. Only stockholders who owned our common stock at the close of business on April 29, 2005 are entitled to vote at the annual meeting. On this record date, there were 31,822,559 shares of our common stock outstanding. Our common stock is our only class of voting stock. We are also sending along with this proxy statement our 2004 Annual Report on Form 10-K, which includes our financial statements for the fiscal year ended December 31, 2004.

How Many Votes Do I Have?

Each share of our common stock that you own entitles you to one vote.

How Do I Vote?

You may vote in person at the meeting or by signing and mailing your proxy card. If you hold your shares through a broker, you may also be able to vote your shares on the Internet, or by telephone. If applicable, detailed instructions for Internet and telephone voting are attached to your proxy.

How Do I Vote by Proxy?

Whether you plan to attend the annual meeting or not, we urge you to complete, sign and date the enclosed proxy card and to return it promptly in the envelope provided. Returning the proxy card will not affect your right to attend the annual meeting and vote at the annual meeting.

If you properly fill in your proxy card and send it to us in time, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxyholder will vote your shares as recommended by our board of directors.

How Does our Board of Directors Recommend That I Vote on the Proposals?

Our board of directors recommends that you vote as follows:

FOR the election of the nominees for director; and

FOR ratification of the selection of Ernst & Young LLP as our independent auditors for our fiscal year ending December 31, 2005.

FOR the proposed amendment to the Company's 2000 Stock Incentive Plan.

FOR the proposed amendment to the Company's 2001 Non-Employee Director Stock Option Plan.

If any other matter is presented, your proxyholder will vote your shares in accordance with his or her best judgment. At the time this proxy statement was printed, we knew of no matters that needed to be acted on at the annual meeting, other than those discussed in this proxy statement.

May I Revoke My Proxy?

If you give us your proxy, you may revoke it at any time before it is exercised. You may revoke your proxy in any one of the following ways:

You may send in another proxy with a later date;

If applicable, you may vote either via the Internet or by telephone at a later date;

You may notify our Secretary in writing before the annual meeting that you have revoked your proxy; or

You may vote in person at the annual meeting.

How Do I Vote in Person?

If you plan to attend the annual meeting and vote in person, we will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on April 29, 2005, the record date for voting.

What Vote is Required to Approve Each Proposal?

Proposal 1: Elect Directors The three nominees for director who receive the most votes (also known as a plurality of the votes) will be elected.

Proposal 2: Ratify Selection of Auditors The affirmative vote of a majority of the votes present or represented by proxy and entitled to vote at the annual meeting is required to ratify the selection of independent auditors.

Proposal 3: Approve Amendment to Increase the Shares Available under the Company's 2000 Stock Incentive Plan The affirmative vote of a majority of the votes present or represented by proxy and entitled to vote at the annual meeting is required to approve the proposed amendment to the Company's 2000 Stock Incentive Plan.

Proposal 4: Approve Amendment to Increase the Shares Available under the Company's 2001 Non-Employee Director Stock Option Plan The affirmative vote of a majority of the votes present or represented by proxy and entitled to vote at the annual meeting is required to approve the proposed amendment to the Company's 2001 Non-Employee Director Stock Option Plan.

What is the Effect of Broker Non-Votes, Withholdings and Abstentions?

Broker Non-Votes: If your broker holds your shares in its name, the broker will be entitled to vote your shares on Proposal 1 and Proposal 4 even if it does not receive instructions from you. If your broker cannot vote your shares on a particular matter because it does not have instructions from you or discretionary voting authority on that matter, this is referred to as a broker non-vote. Broker non-votes are not considered to be present and represented and entitled to vote at the meeting so they will have no effect on the votes on any of the Proposals.

Withholdings: Withholding authority to vote for a nominee for director will have no effect on the outcome of the vote.

Abstentions: Because abstentions are treated as shares present or represented and entitled to vote at the annual meeting, abstentions with respect to Proposal 2, Proposal 3 and Proposal 4 have the same effect as votes against the proposals.

Is Voting Confidential?

We will keep all the proxies, ballots and voting tabulations private. We only let our Inspector of Election examine these documents. We will not disclose your vote to management unless it is necessary to meet legal requirements. We will, however, forward to management any written comments you make on the proxy card or elsewhere.

What Are the Costs of Soliciting these Proxies?

We will pay all of the costs of soliciting these proxies. Solicitation of proxies will be made principally through the mails, but our officers and employees may also solicit proxies in person or by telephone, fax or email. We will pay these employees and officers no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to the beneficial owners of the common stock and to obtain authority to execute proxies. We will then reimburse them for their expenses.

What Constitutes a Quorum for the Meeting?

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of our common stock is necessary to constitute a quorum at the meeting. Votes of stockholders of record who are present at the meeting in person or by proxy, abstentions, and broker non-votes are counted for purposes of determining whether a quorum exists.

Attending the Annual Meeting

The annual meeting will be held at 8:30 a.m. on Wednesday, June 1, 2005 at the St. Julien Hotel, 900 Walnut Street, Boulder, Colorado 80302. When you arrive at the hotel, signs will direct you to the appropriate meeting rooms. You need not attend the annual meeting in order to vote.

Voting

To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the annual meeting in person. Most stockholders have three options for submitting their vote: (1) via the Internet (please see your proxy card for instructions) or (2) by phone (please see your proxy card for instructions), or (3) by mail, using the enclosed paper proxy card. When you vote via the Internet or by phone, your vote is recorded immediately. We encourage our stockholders to vote using these methods whenever possible. If you attend the annual meeting, you may also submit your vote in person, and any previous votes that you submitted, whether by Internet, phone or mail, will be superseded by the vote that you cast at the annual meeting.

Householding of Annual Disclosure Documents

In December 2000, the Securities and Exchange Commission adopted a rule concerning the delivery of annual disclosure documents. The rule allows us or your broker to send a single set of our annual report and proxy statement to any household at which two or more of our shareholders reside, if we or your broker believe that the shareholders are members of the same family. This practice, referred to as householding, benefits both you and us. It reduces the volume of duplicate information received at your household and helps to reduce our expenses. The rule applies to our annual reports, proxy statements and information statements. Once you receive notice from your broker or from us that communications to your address will be household, the practice will continue until you are otherwise notified or until you revoke your consent to the practice. Each shareholder will continue to receive a separate proxy card or voting instruction card.

If your household received a single set of disclosure documents this year, but you would prefer to receive your own copy, please contact our transfer agent, American Stock Transfer & Trust Company, by calling their toll free number, 1-800-937-5449.

If you do not wish to participate in householding and would like to receive your own set of our annual disclosure documents in future years, follow the instructions described below. Conversely, if you share an address with another of our shareholders and together both of you would like to receive only a single set of our annual disclosure documents, follow these instructions:

If your shares are registered in your own name, please contact our transfer agent, American Stock Transfer & Trust Company, and inform them of your request by calling them at 1-800-937-5449 or writing them at 59 Maiden Lane, New York, New York 10038.

If a broker or other nominee holds your shares, please contact the broker or other nominee directly and inform them of your request. Be sure to include your name, the name of your brokerage firm and your account number.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of April 20, 2005 for (a) the executive officers named in the Summary Compensation Table of this proxy statement, (b) each of our directors and director nominees, (c) all of our current directors and executive officers as a group and (d) each stockholder known by us to own beneficially more than 5% of our common stock. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. We deem shares of common stock that may be acquired by an individual or group within 60 days of April 20, 2005 pursuant to the exercise of options to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them based on information provided to us by these stockholders. Percentage of ownership is based on 31,824,469 shares of our common stock outstanding on April 20, 2005. Unless otherwise indicated, the address for each of the stockholders in the table below is c/o Pharmion Corporation, 2525 28th Street, Boulder, Colorado 80301.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	
	Number	Percent
Stockholders owning approximately 5% or more		
Entities affiliated with New Enterprise Associates	2,908,738(1)	9.1%
Entities affiliated with Ziff Asset Management, L.P.	2,537,721(2)	8.0%
FMR Corp.	2,420,600(3)	7.6%
Celgene Corporation	1,939,598(4)	6.1%
Janus Capital Management LLC	1,711,367(5)	5.4%
Directors and Executive Officers		
Patrick J. Mahaffy	715,519(6)	2.2%
Judith A. Hemberger	491,311(7)	1.5%
Brian G. Atwood	51,451(8)	*
James Blair	871,179(9)	2.7%
M. James Barrett	2,969,988(10)	9.3%
Cam L. Garner	58,056(11)	*
Edward McKinley	53,000(12)	*
Thorlef Spickschen	23,750(13)	*
Erle T. Mast	126,659(14)	*
Gillian C. Ivers-Read	90,625(15)	*

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Michael Cosgrave	12,371(16)	*
All directors and executive officers as a group (11 Persons)	5,463,909	16.8%

* Represents beneficial ownership of less than one percent of our common stock.

- (1) Stock ownership is based on as Schedule 13D filed with the SEC on October 8, 2005. This report indicates that 14,470 shares of common stock is owned by NEA Partners 10, L.P. and 2,894,268 shares of common stock is owned by New Enterprise Associates 10, L.P. New Enterprise Associates is located at 1119 St. Paul Street, Baltimore, MD 21202.
- (2) Stock ownership is based on as Schedule 13G filed with the SEC on February 3, 2005. This report indicates that Ziff Asset Management, L.P., PBK Holdings, Inc., the general partner of Ziff Asset Management, L.P., and Philip B. Korsant share voting and dispositive power over the shares. Ziff Asset Management, L.P. is located at 283 Greenwich Avenue, Greenwich, CT 06830.
- (3) Stock ownership is based on as Schedule 13G filed with the SEC on March 10, 2005. FMR Corp. is located at 82 Devonshire Street, Boston, MA 02109.
- (4) Celgene Corporation is located at 7 Powder Horn Drive, Warren, NJ 07059.
- (5) Stock ownership is based on as Schedule 13G filed with the SEC on February 14, 2005. Janus Capital Management LLC is located at 51 Detroit Street, Denver, CO 80206.
- (6) Includes 253,124 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (7) Includes 116,145 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (8) Includes 36,250 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (9) Includes 5,000 shares of common stock subject to outstanding options which are exercisable within the next 60 days and 800,708 shares of common stock owned by Domain Partners IV, L.P., 9,155 shares of common stock owned by DP IV Associates, L.P. and 31,250 shares of common stock owned by Domain Associates, L.L.C. Dr. Blair is a managing member of One Palmer Square Associates IV, L.L.C., which is the general partner of Domain Partners IV, L.P. and DP IV Associates, L.P. Dr. Blair is also a managing member of Domain Associates, L.L.C. Several managing members of Domain Associates, L.L.C. are also managing members of One Palmer Square Associates IV, L.L.C. Dr. Blair disclaims beneficial ownership of these shares except to the extent of his pecuniary interest in such shares.
- (10) Includes 36,250 shares of common stock subject to outstanding options which are exercisable within the next 60 days and 14,470 shares of common stock owned by NEA Partners 10, L.P. and 2,894,268 shares of common stock owned by New Enterprise Associates 10, L.P. of which Dr. Barrett is a General Partner. Dr. Barrett disclaims beneficial ownership of these shares except to the extent of his pecuniary interest in such shares.
- (11) Includes 5,000 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (12) Includes 25,000 shares of common stock subject to outstanding options which are exercisable within the next 60 days.

- (13) Includes 23,750 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (14) Includes 121,875 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (15) Includes 82,975 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (16) Includes 12,371 shares of common stock subject to outstanding options which are exercisable within the next 60 days.

MANAGEMENT

The Board of Directors

Our by-laws provide that our business is to be managed under the direction of our board of directors. Our board of directors is divided into three classes for purposes of election. One class is elected at each annual meeting of stockholders to serve for a three-year term. Our board of directors currently consists of 8 members, classified into three classes as follows: (1) Brian Atwood, M. James Barrett and Edward J. McKinley constitute Class I with a term ending at the 2007 annual meeting; (2) Patrick J. Mahaffy, James Blair and Cam L. Garner constitute Class II with a term ending at the 2005 annual meeting; and (3) Judith Hemberger and Dr. Thorlef Spickschen constitute Class III with a term ending at the 2006 annual meeting.

On April 1, 2005, our board of directors voted to nominate Patrick J. Mahaffy, James Blair and Cam L. Garner for reelection at the annual meeting for a term of three years to serve until our 2008 annual meeting of stockholders, and until their respective successors have been elected and qualified.

Set forth below are the names of the persons nominated as directors and directors whose terms do not expire this year, their ages as of April 29, 2005, their offices in the Company, if any, their principal occupations or employment for the past five years, the length of their tenure as directors and the names of other public companies in which such persons hold directorships.

Name	Age	Position with the Company
Patrick J. Mahaffy	42	President and Chief Executive Officer; Director
Judith A. Hemberger, Ph.D.	57	Executive Vice President and Chief Operating Officer; Director
James Blair, Ph.D.	65	Director
Cam L. Garner	57	Director
Dr. Thorlef Spickschen	64	Director
Brian G. Atwood	52	Director
M. James Barrett, Ph.D.	62	Director
Edward J. McKinley	53	Director

Patrick J. Mahaffy is a founder of Pharmion and has served as our President and Chief Executive Officer and a member of our board of directors since our inception. From 1992 through 1998, Mr. Mahaffy was President and Chief Executive Officer of NeXagen, Inc. and its successor, NeXstar Pharmaceuticals, Inc., a biopharmaceutical company. Prior to that, Mr. Mahaffy was a Vice President at E.M. Warburg Pincus and Co.

Judith A. Hemberger, Ph.D., is a founder of Pharmion and has served as our Executive Vice President and Chief Operating Officer and a member of our board of directors since our inception. From 1997 to 1999, she worked as a consultant to various healthcare companies. During this period she also served as a Senior Vice President of Business Development at AVAX Technologies, Inc., a vaccine technology company. From 1979 to 1997, Dr. Hemberger worked at Marion Laboratories and successor companies Marion Merrell Dow and Hoechst Marion Roussel. She led a number of strategic functions including Professional Education, Global Regulatory Affairs, Global Medical Affairs and Commercial Development. Her final role in the company was Senior Vice President of Global Drug Regulatory Affairs. Ms. Hemberger currently serves on the board of directors of Perrigo Company.

James Blair, Ph.D., has served as a member of our board of directors since January 2000. Since 1985, Dr. Blair has served as a general partner of Domain Associates, L.L.C., a venture capital management company focused on life sciences. Dr. Blair also serves on the board of directors of NuVasive, Inc., as well as several privately-held healthcare companies. Dr. Blair is presently an advisor to the Department of Molecular Biology at Princeton University and an advisor to the Department of Bioengineering at the University of Pennsylvania.

Cam L. Garner has served as a member of our board of directors since May 2001. Mr. Garner is a co-founder and currently serves as Chairman and CEO of Verus Pharmaceuticals, Inc., a pediatric-focused specialty pharmaceutical company. Mr. Garner served as the chairman of Xcel Pharmaceuticals, Inc., a specialty pharmaceutical company that he co-founded, from 2001 until its acquisition by Valeant Pharmaceuticals International in March 2005. From 1989 to November 2000, Mr. Garner was Chief Executive Officer of Dura Pharmaceuticals, Inc. and its Chairman from 1995 to 2000. Mr. Garner was also the co-founder and Chairman of DJ Pharma from 1998 to 2000. Mr. Garner also serves on the board of directors of Favril, Inc. and CancerVax Corporation, as well as several privately-held pharmaceutical and biotechnology companies.

Dr. Thorlef Spickschen has served as a member of our board of directors since December 2001. From 1994 to 2001, Dr. Spickschen was chairman and CEO of BASF Pharma/Knoll AG. From 1984 to 1994, Dr. Spickschen worked with Boehringer Mannheim GmbH, where he was responsible for sales and marketing and has been Chairman of its Executive Board since 1990. From 1976 to 1984, Dr. Spickschen was Managing Director, Germany and Central Europe for Eli Lilly & Co. Dr. Spickschen is currently on the board of Cytos Biotechnology AG, which is publicly-traded in Switzerland, as well as the boards of several privately held companies in Europe and the U.S., including BioVision AG, Innovation GmbH and EPICEPT Corporation.

Brian G. Atwood has served as a member of our board of directors since January 2000. Mr. Atwood co-founded Versant Ventures, a venture capital firm focusing on healthcare, in 1999. Mr. Atwood is also a managing member of Brentwood Associates. Mr. Atwood also serves on the board of directors of several privately-held pharmaceutical and biotechnology companies, including Salmedix, Inc.

M. James Barrett, Ph.D., has served as a member of our board of directors since December 2001. Since September 2001, Dr. Barrett has served as a general partner of New Enterprise Associates, a venture capital firm that focuses on the healthcare and information technology industries. From 1997 to 2001, Dr. Barrett served as Chairman and Chief Executive Officer of Sensors for Medicine and Science, Inc., which he founded in 1997. Dr. Barrett also serves on the board of directors of Medimmune, Inc. and Inhibitex, Inc., as well as several privately-held healthcare companies, including, Iomai Corporation, Peptimmune, Inc. and Targacept, Inc. In addition, Dr. Barrett continues to serve as Chairman of Sensors for Medicine and Science, Inc.

Edward J. McKinley has served as a member of our board of directors since October 2004. Mr. McKinley is a private investor. He was previously a partner at E.M. Warburg, Pincus and Co. During Mr. McKinley's 20 years with Warburg Pincus, he held various roles including managing the firm's private equity activity in Europe and serving on the firm's Management Committee. From 2002 to 2004, he served as a Senior Advisor to Warburg Pincus. Prior to joining Warburg Pincus, he was a consultant with McKinsey and Company. Mr. McKinley also serves on the board of SBS Broadcasting SA and several private companies.

Our board of directors has reviewed the qualifications of each of its members and determined that each of the following directors is independent as such term is defined under the listing standards of the Nasdaq Stock Market:

James Blair
Dr. Thorlef Spickschen
Brian G. Atwood
M. James Barrett
Edward J. McKinley

Committees of the Board of Directors and Meetings

Meeting Attendance. During the year ended December 31, 2004 there were five meetings of our board of directors, and the various committees of the board met a total of eight times. No director attended fewer than 75% of the total number of meetings of the board and of committees of the board on which he or she served during 2004. Currently we do not have a formal policy regarding director attendance at our annual meetings of stockholders. However, it is expected that absent compelling circumstances, each of our directors will be in

attendance. All of the current members of our board of directors, except Edward McKinley, attended our 2004 Annual Meeting of Stockholders.

Audit Committee. Our audit committee currently has three members, Messrs. McKinley (Chairman), Atwood, and Spickschen. Our audit committee evaluates the independent auditors qualifications, independence and performance; determines the engagement of the independent auditors; approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on our engagement team as required by law; confers with management and the independent auditors regarding the effectiveness of financial reporting controls in effect; reviews our financial statements; reviews our critical accounting policies and estimates; and discusses with management and the independent auditors the results of the annual audit and the review of our quarterly financial statements. All members of the audit committee satisfy the current independence standards promulgated by the Securities and Exchange Commission and by the Nasdaq Stock Market as such standards apply specifically to members of audit committees. Our board of directors has determined that Mr. McKinley is an audit committee financial expert, as the Securities and Exchange Commission has defined that term in Item 401 of Regulation S-K. Please also see the report of the audit committee set forth elsewhere in this proxy statement. The audit committee held six meetings during 2004.

Compensation Committee. Our compensation committee currently has three members, Messrs. Blair (Chairman), Barrett and Spickschen. The compensation committee reviews and recommends policy relating to compensation and benefits of our executives and members of our board of directors, including reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer and other senior officers, evaluating the performance of these officers in light of those goals and objectives and setting compensation of these officers based on such evaluations. The compensation committee also administers the issuance of stock options and other awards under our stock plans. The compensation committee reviews and evaluates, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter. All members of the compensation committee qualify as independent under the definition promulgated by the Nasdaq Stock Market. Please also see the report of the compensation committee set forth elsewhere in this proxy statement. The committee held two meetings during 2004.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee has three members, Messrs. Atwood, Blair and Barrett each of whom is a non-management member of our board of directors. The nominating and corporate governance committee oversees and assists our board of directors in reviewing and recommending nominees for election as directors, assessing the performance of the board of directors, directing guidelines for the composition of our board of directors and reviewing and administering our corporate governance guidelines. All members of the nominating and corporate governance committee qualify as independent under the definition promulgated by the Nasdaq Stock Market. The committee did not hold any formal meeting during 2004.

The nominating and corporate governance committee may consider candidates recommended by stockholders as well as from other sources such as other directors or officers, third party search firms or other appropriate sources. For all potential candidates, the committee may consider all factors it deems relevant, such as a candidate's personal integrity and sound judgment, business and professional skills and experience, independence, knowledge of the industry in which we operate, possible conflicts of interest, diversity, the extent to which the candidate would fill a present need on the board of directors and concern for the long-term interests of the stockholders. In general, persons recommended by stockholders will be considered on the same basis as candidates from other sources. If a stockholder wishes to nominate a candidate to be considered for election as a director at the 2006 Annual Meeting of Stockholders using the procedures set forth in our by-laws, it must follow the procedures described in Stockholder Proposals and Nominations For Director. If a stockholder wishes simply to propose a candidate for consideration as a nominee by the nominating and corporate governance committee, it should submit any pertinent information regarding the candidate to the Nominating Committee by mail at 2525 28th Street, Suite 200, Boulder, CO 80301 (c/o Pharmion Corporation).

A copy of the nominating and corporate governance committee's written charter is publicly available on the Company's website at www.pharmion.com. To be considered for inclusion in the proxy statement relating to our Annual Meeting of Stockholders to be held in 2006, stockholder proposals must be received no later than January 1, 2006. To be considered for presentation at the 2006 Annual Meeting of Stockholders, although not included in the proxy statement, proposals must be received no earlier than February 1, 2006 and no later than March 3, 2006.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or compensation committee.

Shareholder Communications to the Board

Generally, shareholders who have questions or concerns should contact our Investor Relations department at 720-564-9150. However, any shareholders who wish to address questions regarding our business directly with our board of directors, any board committee or any individual director, should direct his or her questions or other communications in writing to the Corporate Secretary, Pharmion Corporation, 2525 28th Street, Boulder, CO 80301.

Compensation of Directors

During the year ended December 31, 2004, non-employee directors received an annual fee of \$15,000, payable in equal quarterly installments, plus a fee of \$2,000 for each meeting of the board of directors attended by such director, a fee of \$2,000 for each audit committee meeting and a fee of \$1,000 for each meeting of the other board committees attended by such director. We are also obligated to reimburse the members of the board of directors for all reasonable expenses incurred in connection with their attendance at directors' meetings.

Under our 2001 Non-Employee Director Stock Option Plan, as amended and restated, each new non-employee director upon joining our board of directors will receive an option to purchase 25,000 shares of our common stock. Thereafter, each non-employee director will receive an annual option grant to purchase 5,000 shares of our common stock. All such non-employee director options have an exercise price equal to the fair market value of the common stock on the grant date. The non-employee directors' options expire ten years after the date of grant of such options.

The initial option grant to non-employee directors upon first becoming a member of our board of directors vests ratably in four installments beginning with the date of grant. Annual options granted under the plan to non-employee directors vest in full on the first anniversary of the date of the grant. Options to purchase 50,000 shares were granted under this formula during 2004 including 5,000 to each of the non-employee board members as an annual grant and 25,000 shares to Mr. McKinley as his initial grant.

Executive Officers

The following table sets forth certain information regarding our executive officers who are not also directors. We have employment agreements with all executive officers.

Name	Age	Position with the Company
Erle T. Mast	42	Chief Financial Officer
Gillian C. Ivers-Read	51	Vice President, Clinical Development and Regulatory Affairs
Michael Cosgrave	50	Vice President, International Commercial Operations

Erle T. Mast has served as our Chief Financial Officer since July 2002. From 1997 through 2002, Mr. Mast worked for Dura Pharmaceuticals and its successor, Elan Corporation. From 2000 to 2002, he served as Chief Financial Officer for the Global Biopharmaceuticals business for Elan. From 1997 to 2000, Mr. Mast served as Vice President of Finance for Dura. Prior to that, Mr. Mast was a partner with Deloitte & Touche, LLP.

Gillian C. Ivers-Read has served as our Vice President, Clinical Development and Regulatory Affairs since April 2002. From 1996 to 2001, Ms. Ivers-Read held various regulatory positions with Hoechst Marion Roussel and its successor Aventis Pharmaceuticals, Inc., where she most recently held the position of Vice President, Global Regulatory Affairs. From 1994 to 1996, Ms. Ivers-Read was Vice President, Development and Regulatory affairs for Argus Pharmaceuticals and from 1984 to 1994 she served as a regulatory affairs director for Marion Merrell Dow.

Michael Cosgrave has served as our Vice President, International Commercial Operations since November 2000. From 1991 to November 2000, Mr. Cosgrave served in various business development and sales and marketing positions for NeXagen, Inc. and its successor, NeXstar Pharmaceuticals, Inc., where he most recently held the position of Vice President, Sales and Marketing with responsibility for markets in the Middle East, Asia, Africa, Australia and Greece. From 1980 to 1991, Mr. Cosgrave worked for Johnson and Johnson UK Ltd. with business development and general manager responsibilities in various international countries.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth summary information concerning the total compensation awarded to or earned during the years ended December 31, 2004, 2003 and 2002 by our chief executive officer and by each of our four other most highly compensated executive officers whose total annual salary and bonus exceeded \$100,000. We refer to these persons elsewhere in this proxy statement as our named executive officers.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards	
		Salary	Bonus	Other Annual Compensation	Securities Underlying Options	All Other Compensation
Patrick J. Mahaffy President and Chief Executive Officer; Director	2004	\$345,833	\$262,500	\$	110,000	\$13,063(1)
	2003	321,433	162,500		75,000	11,838(1)
	2002	294,128	60,000		225,000	6,998(1)
Judith A. Hemberger Executive Vice President and Chief Operating Officer; Director	2004	331,667	226,130		60,000	12,638(2)
	2003	313,000	141,750		37,500	12,138(2)
	2002	294,017	60,000		143,750	8,066(2)
Erle T. Mast Chief Financial Officer	2004	291,317	175,920	37,500(6)	18,750	10,539(3)
	2003	281,179	112,760	37,500(6)	25,000	10,646(3)
	2002	131,369(5)	55,000	152,613(7)	112,500	1,719(3)
Gillian C. Ivers-Read	2004	289,433	174,780	75,000(12)	18,750	11,572(4)