

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

February 5, 1998
Date of Report (Date of earliest event reported)

DISCOVERY LABORATORIES, INC.
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	000-26422 (Commission File Number)	94-3171943 (IRS Employer Identification Number)
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509 Madison Avenue, 14th Floor
New York, New York 10022
(Address of principal executive offices)

(212) 223-9504
(Registrant's telephone number, including area code)

Item 5. Other Events

Discovery Laboratories, Inc. has announced that it has executed a letter of intent to acquire all outstanding shares of common stock of its majority-owned subsidiary, Acute Therapeutics, Inc. Reference is made to the Registrant's related press release attached hereto as Exhibit 99.1 and incorporated by reference herein (including without limitation the information set forth in the cautionary statement contained in the final paragraph of the press release).

Item 7. Financial Statements, Pro Forma Financial Statements and Exhibits

(c) Exhibits:

99.1 Press Release dated February 5, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DISCOVERY LABORATORIES, INC.

Date: February 6, 1998

By: /s/ James S. Kuo

Name: James S. Kuo, M.D.
Title: Chief Executive Officer

Exhibit Index

Exhibit Number

Description

99.1

Press Release dated February 5, 1998.

Discovery Laboratories Enters Agreement To Acquire 100% of Acute Therapeutics

NEW YORK, Feb. 5, 1998--Discovery Laboratories, Inc. (Discovery) (Nasdaq: DSCO, DSCOU) announced today that it has executed a letter of intent to acquire all outstanding shares of common stock of its majority-owned subsidiary, Acute Therapeutics, Inc. (ATI). Upon completion of the transaction, Robert J. Capetola, Ph.D., currently Chairman and Chief Executive Officer of ATI, will lead the management of Discovery and ATI as President and Chief Executive Officer. Steve H. Kanzer will remain as Chairman of the Board of Discovery. The transaction is subject to a number of conditions including stockholder approval by Discovery and ATI.

The driving force for the transaction, which is structured as a subsidiary merger, is to achieve 100% ownership by Discovery of ATI's product portfolio, strengthen the management team and consolidate development activities. Upon the execution of a definitive merger agreement, Discovery and ATI will enter into a management agreement which shall provide that Discovery will be managed by the ATI management team pending completion of the transaction. Discovery's headquarters will be relocated to ATI's Doylestown, Pa. location.

Dr. Capetola expressed that he was "delighted with this transaction which will allow us to aggressively move forward with an even stronger company." Kanzer stated that, "We believe that Dr. Capetola and the ATI management team have made great progress in their drug development programs and the synergies afforded in this transaction will serve the interests of the stockholders of both companies."

In the transaction, stockholders of ATI will be issued shares of Discovery common stock in exchange for shares of ATI common stock held by them prior to the transaction. Outstanding ATI options will be assumed by Discovery and will become exercisable for Discovery common stock on the same terms and conditions. Securities issued to stockholders and optionholders of ATI will represent approximately 16.24% of Discovery common stock on a fully diluted basis. Upon consummation of the merger, options to purchase an additional 4.67% of Discovery common stock will be granted pursuant to employment agreements with Discovery's new management team and options to purchase an additional 3.37% of Discovery common stock will be granted subject to achievement of certain corporate milestones.

ATI's lead product in development is Surfaxin(TM) for the treatment of acute respiratory distress syndrome (ARDS). Surfaxin(TM) is a novel, proprietary, peptide-containing lung surfactant invented at The Scripps Research Institute. The peptide is KL4, a 21 amino acid peptide modeled after the important SP-B protein in the human surfactant system. Lung surfactants are protein-lipid complexes that coat the airsacs of the lung and facilitate oxygen exchange with blood. ARDS is an acute generalized inflammatory disease of the lung affecting approximately 150,000 persons per year in the U.S. and has an associated mortality rate of approximately 50%. As previously announced on Dec. 11, 1997, ATI has completed enrollment in its 12 patient Phase 1B clinical trial of Surfaxin(TM) in ARDS.

As of Dec. 31, 1997, Discovery and ATI had cash on hand of approximately \$11.2 million.

Discovery Laboratories, Inc. is a New York City based development stage pharmaceutical company that is clinically developing proprietary pharmaceuticals to treat post-menopausal osteoporosis, cystic fibrosis and other diseases. ATI, a Doylestown, Pa. company, concentrates its efforts on developing acute care pharmaceuticals and is actively developing therapies for ARDS, meconium aspiration syndrome (MAS) and idiopathic respiratory distress syndrome (IRDS). Discovery's strategy is to accelerate and lower the risk of drug development by acquiring and developing proprietary pharmaceuticals for which significant animal and human testing has already been completed. In addition, Discovery seeks to minimize the cost of drug development by outsourcing preclinical development and manufacturing. More information about Discovery is available on the company's web site at: www.discoverylabs.com

To the extent that statements in this press release are not strictly historical, including statements as to future financial conditions, events conditioned on stockholder or other approval, or otherwise as to future events, such statements are forward-looking, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. The forward-looking statements contain in this release are subject to certain risks and uncertainties that could cause actual results to differ materially from the statements made. Among the factors which could affect the Company's actual results and could cause results to differ from those contained in the forward-looking statements contained herein are the risk that financial conditions may change, risks relating to the progress of the Company's research and development and the

development of competing therapies and/or technologies by other companies. Those associated risks and others are further described in the Company's filings with the Securities and Exchange Commission.

Contact:

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215/794-3064

or

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Chairman
Discovery Laboratories, Inc.
212/554-4330

or

Dian Griesel, Ph.D.
The Investor Relations Group, Inc.
212/664-8489