

ATHEROGENICS INC  
Form 424B3  
August 18, 2005

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus dated July 25, 2005)**

**ATHEROGENICS, INC.**  
**\$200,000,000**  
**1.50% CONVERTIBLE NOTES DUE 2012**  
**AND**  
**10,416,660 SHARES OF COMMON STOCK, NO PAR VALUE PER SHARE,**  
**ISSUABLE UPON CONVERSION OF THE NOTES**

This prospectus supplement supplements the prospectus dated July 25, 2005 of AtheroGenics, Inc., relating to the resale from time to time by selling securityholders of our 1.50% convertible notes due 2012 and shares of AtheroGenics, Inc. common stock issuable upon conversion of the notes. This prospectus supplement should be read in conjunction with the prospectus, which is required to be delivered with this prospectus supplement.

**Investing in the notes or our common stock involves a high degree of risk. See Risk Factors beginning on page 6 of the prospectus.**

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

The date of this prospectus supplement is August 18, 2005

---

The section of the prospectus entitled "Selling Securityholders" is amended and restated in its entirety to read as follows:

### SELLING SECURITYHOLDERS

We originally sold the notes to initial purchasers on January 12, 2005. The initial purchasers of the notes have advised us that the notes were resold in transactions exempt from the registration requirements of the Securities Act to qualified institutional buyers, as defined in Rule 144A of the Securities Act. These subsequent purchasers, or their transferees, pledgees, donees, assignees or successors, may from time to time offer and sell any or all of the notes and/or shares of the common stock issuable upon conversion of the notes pursuant to this prospectus.

The following table sets forth information with respect to the selling securityholders and the principal amount of notes and common stock beneficially owned by each selling securityholder that may be offered pursuant to this prospectus. The information is based on information provided by or on behalf of the selling securityholders. The selling securityholders may offer all, some or none of the notes or the common stock issuable upon conversion of the notes. Because the selling securityholders may offer all or some portion of the notes or the common stock, we cannot estimate the amount or percentage of the notes or the common stock that will be held by the selling securityholders upon termination of sales pursuant to this prospectus. In addition, the selling securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their notes since the date on which they provided the information regarding their holdings in transactions exempt from the registration requirements of the Securities Act.

To our knowledge, no selling securityholder nor any of its affiliates has held any position or office with, been employed by or otherwise has had any material relationship with us or our affiliates within the past three years.

The percentage of notes outstanding beneficially owned by each selling securityholder is based on \$200,000,000 aggregate principal amount of notes outstanding. The number of shares of common stock issuable upon conversion of the notes shown in the table below assumes conversion of the full amount of notes held by each selling securityholder at the initial conversion rate of 38.5802 shares of common stock per \$1,000 principal amount of notes.

Name (1)	Principal Amount of Notes	Percentage of Notes Outstanding	Common Stock Owned	After Completion of the Offering (3)
	Beneficially Owned and Offered Hereby (\$) (2)		Common Stock Owned Prior to the Offering (2)(3)	
Aristeia International Limited (4)	9,190,000	4.60%	354,552	
Aristeia Trading LLC (5)(6)	1,810,000	*	69,830	
BNP Paribas Equity Strategies, SNC (7)(8)	5,090,000	2.55%	202,226	5,583
CIBC World Markets (5)	500,000	*	19,290	
Citigroup Global Markets Ltd. (5)	8,000,000	4.00%	308,642	
CNH CA Master Account, L.P. (9)	250,000	*	368,185	358,540
CooperNeff Convertible Strategies (Cayman) Master Fund, LP (8)	1,866,000	*	71,991	

Edgar Filing: ATHEROGENICS INC - Form 424B3

Name (1)	Principal Amount of Notes Beneficially Owned and Offered Hereby (\$) (2)	Percentage of Notes Outstanding	Common Stock Owned Prior to the Offering (2)(3)	Common Stock Owned After Completion of the Offering (3)
Deutsche Bank Securities Inc. (5)	7,126,000	3.56%	274,923	
DKR Saturn Event Driven Holding Fund Ltd. (10)	22,815,000	11.41%	931,707(11)	51,500(11)
DKR Saturn Multi-Strategy Holding Fund Ltd. (12)	22,815,000	11.41%	885,407(13)	5,200(13)
DKR SoundShore Strategic Holding Fund Ltd. (14)	6,000,000	3.00%	351,885	120,404
Drawbridge Convertible I Ltd. (15)	64,000	*	83,955	81,486
Drawbridge Convertible II Ltd. (15)	20,000	*	26,847	26,076
Drawbridge Global Macro Master Fund Ltd. (15)	166,000	*	224,787	218,383
Fore Convertible Master Fund, Ltd. (16)	4,000,000	2.00%	154,321	
Fore ERISA Fund, Ltd. (16)	2,000,000	1.00%	77,160	
Froley Revy Convertible Arbitrage Offshore (17)	350,000	*	13,503	
FrontPoint Convertible Arbitrage Fund, L.P. (18)	6,000,000	3.00%	231,481	
GLG Market Neutral Fund (19)	3,000,000	1.50%	115,741	
Guggenheim Portfolio Company VIII (Cayman), Ltd. (7)(20)	2,000,000	1.00%	77,160	
Highbridge International LLC (21)	21,500,000	10.75%	829,474	
Jeffries & Company (5)(22)	250,000	*	9,645	
JP Morgan Securities Inc. (5)(23)	4,850,000	2.43%	193,246	6,132
Kamunting Street Master Fund, Ltd. (24)	7,100,000	3.55%	273,919	
KBC Financial Products USA Inc. (5)(25)	8,600,000	4.30%	331,790	
LDG Limited (26)	71,000	*	2,739	
Lehman Brothers Inc. (5)	5,100,000	2.55%	196,759	
Lyxor/Convertible Arbitrage Fund Limited (8)	848,000	*	32,716	
Man Convertible Bond Master Fund, Ltd. (27)	2,936,000	1.47%	113,271	
Man Mac I Limited	3,000,000	1.50%	115,741	
MSS Convertible Arbitrage I (26)	6,000	*	1,209	978
Putnam Convertible Income-Growth Trust (7)	3,720,000	1.86%	143,518	

Edgar Filing: ATHEROGENICS INC - Form 424B3

Saranac Capital Management L.P. (28)	15,000,000	7.50%	2,012,861	1,434,158
Satellite Convertible Arbitrage Master Fund, LLC (29)	7,000,000	3.50%	270,061	
Silverback Master, Ltd. (30)	13,500,000	6.75%	520,833	
Singlehedge US Convertible Arbitrage Fund (8)	745,000	*	28,742	
Sphinx Fund c/o TQA (26)	110,000	*	22,236	17,992
St. Thomas Trading, Ltd. (31)	1,064,000	*	41,049	
Sturgeon Limited (8)	876,000	*	33,796	
UBS O Connor LLC F/B/O O Connor Global Convertible Arbitrage Master Limited	3,000,000	1.50%	115,741	
TQA Master Fund, Ltd. (26)	629,000	*	145,062	120,795
TQA Master Plus Fund, Ltd. (26)	1,004,000	*	234,627	195,893
TQA Special Opportunities Master Fund Ltd. (32)	2,000,000	1.00%	77,160	
Tugar Capital, L.P. (33)	2,500,000	1.25%	96,451	
Vicis Capital Master Fund (34)	4,000,000	2.00%	154,321	
Wachovia Capital Markets LLC (5)(35)	3,000,000	1.50%	115,741	
Waterstone Market Neutral MAC51, Ltd. (36)	59,000	*	2,276	
Waterstone Market Neutral Master Fund, Ltd. (37)	941,000	*	36,304	
Xavex Convertible Arbitrage I (26)	26,000	*	16,714	15,711
Zurich Institutional Benchmark Master c/o TQA (26)	154,000	*	30,583	24,641
Total**	200,000,000	100.00%	10,399,782	2,683,742

\* Less than one percent

\*\* The sum of the listed principal amount of notes beneficially owned by holders actually exceeds \$200,000,000 because certain of the holders have transferred notes pursuant to Rule 144A or otherwise reduced their position prior to selling pursuant to this prospectus. As a result, we have

received  
beneficial  
ownership  
information  
from additional  
holders without  
corresponding  
updates from  
the holders that  
sold notes to  
such additional  
holders. The  
maximum  
principal  
amount of notes  
that may be sold  
under this  
prospectus will  
not exceed  
\$200,000,000.

- (1) Information about other selling securityholders, except for any future transferee, pledgee, donee, assignee or successor of securityholders named in the table above, will be set forth in a prospectus supplement or amendment to this registration statement if required. For purposes of this table, we have assumed that any other holders of notes, or any future transferees, pledgees, donees or successors of or

from any such  
other holders of  
notes, do not  
beneficially own  
any common  
stock other than  
the common  
stock issuable  
upon conversion  
of the notes at  
the initial  
conversion rate.

---

(2) Selling securityholders may have sold, transferred or otherwise disposed of all or a portion of their notes, or acquired additional notes, since the date on which we were provided with the information regarding their notes in transactions exempt from the registration requirements of the Securities Act. Accordingly, the information provided here for any particular securityholder may understate or overstate, as the case may be, such securityholder's current ownership. The aggregate principal amount of notes outstanding as of the date of this registration statement is \$200,000,000, and the selling securityholders will not sell under this registration statement more



than that amount.

- (3) Includes common stock issuable upon conversion of the notes at the initial conversion rate of 38.5802 shares of common stock per \$1,000 principal amount of notes. However, this conversion rate will be subject to adjustment as described under Description of Notes Conversion of Notes Conversion Rate Adjustments and Description of Notes Make Whole Payment Upon the Occurrence of a Designated Event that is also a Fundamental Change. As a result, the amount of common stock issuable upon conversion of the notes may increase or decrease in the future. Assumes conversion of the full amount of 4<sup>1</sup>/<sub>2</sub>% notes held by the selling

securityholder at the initial conversion rate of 65.1890 shares of common stock per \$1,000 principal amount of notes.

(4) Aristeia Capital LLC is the investment manager for Aristeia International Limited. Aristeia Capital LLC is jointly owned by Robert H. Lynch Jr., Anthony Frascella and Kevin Toner, who have voting or investment control over these securities.

(5) The selling securityholder has informed us that it is a registered broker-dealer. See Plan of Distribution below.

(6) Aristeia Advisors LLC is the investment manager for Aristeia Trading LLC. Aristeia Advisors LLC is jointly owned by Robert H. Lynch Jr., Anthony

Frascella and Kevin Toner, who have voting or investment control over these securities.

- (7) The selling securityholder has informed us that it is an affiliate of a registered broker-dealer. See Plan of Distribution below.
- (8) Christian Menestrier, Chief Executive Officer of CooperNeff Advisors, Inc., has voting or investment control over these securities.
- (9) CNH Partners, LLC is the investment advisor of the CNH CA Master Account, L.P. and has sole voting and dispositive power over these securities. Robert Krail, Mark Mitchell and Todd Pulvino exercise voting and investment control on behalf of CNH Partners, LLC.

(10)

DKR Saturn Management Company L.P. is a registered investment adviser with the Securities and Exchange Commission and, as such, is the investment manager to DKR Saturn Event Driven Holding Fund Ltd. (the Saturn Fund ). Ron Phillips, portfolio manager of the Saturn Fund, has voting or investment control over these securities.

(11) Includes 51,500 shares of common stock subject to a call option.

(12) DKR Saturn Management L.P. is a registered investment adviser with the Securities and Exchange Commission and, as such, is the investment manager to DKR Saturn Multi-Strategy Fund Ltd. (the Multi-Strategy Fund ). Mike Cotton, portfolio

manager of the Multi-Strategy Fund, has voting or investment control over these securities.

- (13) Includes 5,200 shares of common stock subject to a call option.
- (14) DKR Capital Partners L.P. ( DKR LP ) is a registered investment adviser with the Securities and Exchange Commission and, as such, is the investment manager to DKR SoundShore Strategic Holding Fund Ltd. (the SoundShore Fund ). DKR LP has retained certain portfolio managers to act as the portfolio manager to the SoundShore Fund managed by DKR LP. As such, DKR LP and certain portfolio managers have shared dispositive and voting power over securities held by the fund. Doug Teresko has

voting or  
investment  
control over  
these securities.

(15) Kevin Treacy  
has voting or  
investment  
control over  
these securities.

(16) David  
Egglshaw has  
voting or  
investment  
control over  
these securities.

(17) Ann Houlihan  
has voting or  
investment  
control over  
these securities.

---

- (18) FrontPoint  
Convertible  
Arbitrage Fund  
GP LLC is the  
general partner  
of FrontPoint  
Convertible  
Arbitrage Fund,  
L.P. FrontPoint  
Partners LLC is  
the managing  
member of  
FrontPoint  
Convertible  
Arbitrage Fund  
GP, LLC and as  
such has voting  
and dispositive  
power over the  
securities held  
by the fund.  
Philip Duff, W.  
Gillespie  
Caffray and  
Paul Ghaffari  
are members of  
the board of  
managers of  
FrontPoint  
Partners LLC  
and are the sole  
members of its  
management  
committee.  
Messrs. Duff,  
Caffray and  
Ghaffari and  
FrontPoint  
Partners LLC  
and FrontPoint  
Convertible  
Arbitrage Fund  
GP, LLC each  
disclaim  
beneficial  
ownership of  
the securities  
held by the fund  
except for their

pecuniary  
interest therein.

- (19) GLG Market Neutral Fund (the Fund ) is a publicly owned company listed on the Irish Stock Exchange. GLG Partners LP, an English limited partnership, acts as the investment manager of the fund and has voting and dispositive power of the securities held by the Fund. The general partner of GLG Partners LP is GLG Partners Limited, an English limited company. The shareholders of GLG Partners Limited are Noam Gottesman, Pierre Lagrange, Jonathan Green, Philippe Jabre and Lehman (Cayman) Limited, a subsidiary of Lehman Brothers, Inc., a publicly-held entity. GLG Partners LP, GLG Partners Limited, Noam Gottesman, Pierre Lagrange,



Jonathan Green,  
Philippe Jabre  
and Lehman  
(Cayman)  
Limited  
disclaim  
beneficial  
ownership of  
the securities  
held by the  
Fund, except for  
their pecuniary  
interest therein.

(20) Matthew Li has  
voting or  
investment  
control over  
these securities.

(21) Highbridge  
Capital  
Management,  
LLC  
( Highbridge ) is  
the trading  
manager of  
Highbridge  
International  
LLC ( HIC ) and  
consequently  
has voting  
control and  
investment  
discretion over  
securities held  
by HIC. Glenn  
Dubin and  
Henry Swieca  
control  
Highbridge.  
Each of  
Highbridge,  
Glenn Dubin  
and Henry  
Swieca  
disclaims  
beneficial  
ownership of  
the securities  
held by HIC.

- (22) Jonathan  
Cunningham  
has voting or  
investment  
control over  
these securities.
  
- (23) Charlotte Chui  
has voting or  
investment  
control over  
these securities.
  
- (24) Allan Teh,  
managing  
member of  
Kamunting  
Street  
Management,  
LLC, the  
general partner  
of the  
investment  
manager of  
Kamunting  
Street Master  
Fund, Ltd., has  
voting or  
investment  
control over  
these securities.
  
- (25) KBC Financial  
Products USA  
Inc. exercises  
voting and  
investment  
control over any  
shares of  
common stock  
issuable upon  
conversion of  
the notes held  
by the selling  
securityholder.  
Mr. Luke  
Edwards,  
Managing  
Director,  
exercises voting

and investment control on behalf of KBC Financial Products USA Inc.

(26) Robert Butman, George Esser, John Idone, Paul Bucci and Bartholomew Tesoriero have voting or investment control over these securities.

(27) John Null and J.T. Hansen, principals of Marin Capital Partners, LP, investment advisor to Man Convertible Bond Master Fund, Ltd. have voting or investment control over these securities.

(28) Ross Margolies has voting or investment control over these securities. Saranac Capital Management L.P. acts as discretionary investment advisor with respect to the following accounts that hold the indicated principal amounts of

these securities:

Citigroup  
Alternative  
Investments  
Diversified  
Arbitrage  
Strategies Fund  
Ltd., 1,822,000;  
Citigroup  
Alternative  
Investments  
Enhanced  
Arbitrage  
Strategies Fund,  
539,000;  
Citigroup  
Alternative  
Investments QIP  
Multi Strategy  
Arbitrage  
Portfolio,  
8,868,000;  
Saranac Erisa  
Arbitrage LTD,  
3,355,000;  
Saranac Erisa  
Arbitrage LP,  
224,000; and  
Saranac  
Arbitrage LTD,  
192,000.

- (29) Leif Rosenblatt,  
Mark Sonnino,  
Gabriel  
Nechamkin,  
Christopher  
Tuzzo, Brian  
Kriftcher,  
Stephen Shapiro  
and David Ford  
have voting or  
investment  
control over  
these securities.  
Each of these  
individuals  
disclaims  
beneficial  
ownership of  
the securities.

(30) Elliot Bossen  
has voting or  
investment  
control over  
these securities.

(31) John Null and  
J.T. Hansen,  
principals of  
Marin Capital  
Partners, LP,  
investment  
advisor to St.  
Thomas  
Thomas  
Trading, Ltd.,  
have voting or  
investment  
control over  
these securities.

(32) Robert Butman,  
George Esser,  
John Idone, Paul  
Bucci and  
Bartholomew  
Tesoriero have  
voting or  
investment  
control over  
these securities.

(33) Ken Tananbaum  
has voting or  
investment  
control over  
these securities.

(34) Sky Lucas, John  
Succo and Shad  
Stastney have  
voting or  
investment  
control over  
these securities.

---

- (35) Eric Grant has voting or investment control over these securities.
  
- (36) Shawn Bergerson, Chief Executive Officer of Waterstone Market Neutral MAC51, Ltd., has voting or investment control over these securities.
  
- (37) Shawn Bergerson, Chief Executive Officer of Waterstone Market Neutral Master Fund, Ltd., has voting or investment control over these securities.