

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**

Date of Report January 5, 2007

BioCryst Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-23186
(Commission
File Number)

62-1413174
(IRS Employer
Identification #)

2190 Parkway Lake Drive, Birmingham, Alabama 35244
(Address of Principal Executive Office)

(205) 444-4600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 210.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Jon P. Stonehouse as Chief Executive Officer

On January 8, 2007, BioCryst Pharmaceuticals, Inc. (the “Company”) announced that Jon P. Stonehouse has accepted the offer of the Compensation Committee of the Board of Directors of the Company to serve as the Company’s Chief Executive Officer, effective as of January 5, 2007. Mr. Stonehouse and the Company entered into an Employment Letter Agreement dated effective January 5, 2007 (the “Letter Agreement”).

The term of Mr. Stonehouse’s employment, subject to the terms and conditions of the Letter Agreement, shall commence as of January 5, 2007, and shall continue for a period of one (1) year, unless earlier terminated in accordance with the provisions of the Letter Agreement. The term of the Letter Agreement shall be automatically extended by one additional year on each anniversary of the effective date, unless one party provides written notice of non-renewal to the other party at least 30 days prior to the date of such automatic extension.

Mr. Stonehouse will receive a salary of \$400,000 per annum, which will be reviewed annually by the Board of Directors. Mr. Stonehouse also shall be eligible to earn a cash bonus in 2007 of up to \$300,000, based on the Company’s achievement of performance related goals. The Company shall provide Mr. Stonehouse with similar annual bonus opportunities for future fiscal years during the term of the Letter Agreement, in amounts that are commensurate with the performance of the Company and Mr. Stonehouse. Mr. Stonehouse also shall be entitled to receive benefits and perquisites at least as favorable as those provided to other executive officers of the Company.

In addition, on January 5, 2007, the Company granted to Mr. Stonehouse:

- an option to purchase 450,000 shares of the Company’s common stock, with an exercise price equal to \$11.81, which option shall vest and become exercisable over a period of four years (with 25% vesting one year after Mr. Stonehouse’s start date and the remaining shares vesting on a monthly schedule of 1/48 of the total number of shares subject to the grants upon the completion of each month of service); and
- 50,000 shares of restricted stock, which shall vest in two equal installments, with the first installment vesting on January 4, 2009; and the second installment vesting on January 4, 2011.

Finally, the Company has appointed Mr. Stonehouse as a director of the company, effective January 5, 2007, and has agreed to use its best efforts to appoint Mr. Stonehouse as a member of the Board of Directors of the Company during the term of his employment. Other than the Letter Agreement, there is no arrangement or understanding between Mr. Stonehouse and any other persons pursuant to which he was selected as a director. There are no family relationships between Mr. Stonehouse and any director or executive officer of the Company.

Mr. Stonehouse, 46, has served as Senior Vice President of Corporate Development for Merck KGaA in Darmstadt, Germany, since July 2002. His responsibilities include Corporate Mergers & Acquisitions, Global Licensing and Business Development, Corporate Strategy and Alliance Management. In March of 2002, Mr. Stonehouse was appointed Vice President of Global Licensing and Business Development and Integration where he was responsible for the worldwide licensing and business development activities for the Ethical Pharmaceutical Division of Merck KGaA. Mr. Stonehouse joined EMD Pharmaceuticals, Inc. (the US Ethical Pharma division for Merck KGaA) in December 1999 as Vice President, Licensing and Business Development – Strategy & Integration and IT. Prior to joining Merck KGaA, he held a variety of roles at Astra Merck/AstraZeneca including: Customer Unit Director, Director, Marketing & Sales - IT, National Sales Manager, National Sales Director - Managed Healthcare, and Product Director – Omeprazole (the world's most widely prescribed prescription drug). Mr. Stonehouse started his career in the pharmaceutical industry as a Sales Representative, National Sales Trainer and District Sales Manager for Merck & Co., Inc. Mr. Stonehouse earned his BS in Microbiology at the University of Minnesota.

At the time of this filing, Mr. Stonehouse has not been named to serve on any committee of the Board of Directors of the Company, and the information about whether Mr. Stonehouse is expected to be named to serve on any committees of the Board of Directors of the Company is not determined or is unavailable at the time of this filing.

On January 8, 2007, the Company issued a press release entitled "Jon P. Stonehouse Appointed Chief Executive Officer of BioCryst," a copy of which is filed herewith as Exhibit 99.1.

Resignation of Charles E. Bugg, Ph.D. as Chief Executive Officer

Also on January 5, 2007, Charles E. Bugg, Ph.D. resigned as Chief Executive Officer of the Company. Dr. Bugg's employment will continue in accordance with the terms of his employment agreement until March 17, 2007. At that time, he will no longer be an employee but will be the non-executive Chairman of the Company. As non-executive Chairman, Dr. Bugg will be paid an annual retainer of \$24,000, prorated until the Company's annual meeting of stockholders in May 2007 and the Company will continue to pay his health insurance coverage through October 1, 2007. In accordance with the automatic director grant provisions of the Company's 1991 Stock Option Plan, as amended (the "Plan"), Dr. Bugg will receive an option for 3,333 shares of the Company's common stock, with an exercise price equal to the closing price on March 17, 2007, which represents the prorated portion of options from commencement of service to the 2007 annual stock holders' meeting. The option will vest over the period from the date of grant to the scheduled date of the next Annual Stockholders Meeting pursuant to the terms of the Plan.

Item 9.01. Financial Statements and Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated January 8, 2007 entitled "Jon P. Stonehouse Appointed Chief Executive Officer of BioCryst."

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.

Dated: January 11, 2007

BioCryst Pharmaceuticals, Inc.

By: /s/ Michael A. Darwin

Michael A. Darwin
Chief Financial Officer and
Chief Accounting Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated January 8, 2007 entitled "Jon P. Stonehouse Appointed Chief Executive Officer of BioCryst."



BIOCRYST PHARMACEUTICALS, INC.
2190 PARKWAY LAKE DRIVE
BIRMINGHAM, AL 35244
205-444-4600 205-444-4640 FAX
www.biocryst.com

Contact:
BioCryst Pharmaceuticals, Inc.
Jonathan M. Nugent
V.P. Corporate Communications
(205) 444-4633

FOR IMMEDIATE RELEASE

JON P. STONEHOUSE APPOINTED CHIEF EXECUTIVE OFFICER OF BIOCRYST

*FORMER MERCK KGAA, ASTRAZENECA EXECUTIVE TO SUCCEED
FOUNDER CHARLES E. BUGG, PH.D.*

Birmingham, Alabama – January 8, 2007 - BioCryst Pharmaceuticals, Inc. (Nasdaq: BCRX) today announced Jon P. Stonehouse, has been appointed Chief Executive Officer and a member of the company's Board of Directors. Mr. Stonehouse succeeds Charles E. Bugg, Ph.D., founder and former Chief Executive Officer, and a pioneer in crystallography who previously announced his intention to retire in 2007. In his new role, Dr. Bugg will become non-executive Chairman of BioCryst.

"The Board would like to thank Charlie for the 20 years of leadership and insight he has brought to BioCryst as Chief Executive Officer," said Zola P. Horovitz, Ph.D., lead director of BioCryst's Board. "Under his guidance, BioCryst has developed a robust research engine that has produced product candidates for leukemia, inflammatory and infectious diseases."

Mr. Stonehouse, a pharmaceutical executive for nearly 20 years, has strong commercialization, financial transaction, business development and management experience. He most recently served as Senior Vice President of Corporate Development at Merck KGaA with responsibility for global licensing and business development, corporate mergers and acquisitions, corporate strategic planning and alliance management. Among his accomplishments, he was responsible for leading the effort to develop a strategy for Merck that significantly changed the company over the last four years. This culminated with the acquisition of Serono, S.A., the largest biotechnology company in Europe at the time of the agreement.

“Jon Stonehouse has an outstanding track record as a leader, a builder and an executive of unquestioned integrity,” said Dr. Horovitz. “Our Board of Directors set out to find a Chief Executive Officer with demonstrated skills in late-stage product development, as well as, pharmaceutical sales and marketing and Jon Stonehouse meets and exceeds all of our requirements. Jon shares the Board’s strategic vision and I have great confidence in his ability to lead BioCryst to the next level as a multi-product, global biotechnology company.”

Mr. Stonehouse said, “I am very excited to be leading a science-charged, cutting-edge company like BioCryst. I am impressed by the exceptionally high quality, efficiency and output of the scientific base of a company this size. In addition the company has a full pipeline with the potential to bring new compounds to market in the near future. I look forward to working with all BioCryst employees and our partners to realize the full potential of this innovative company.”

J. Claude Bennett, M.D., Chief Operating Officer of BioCryst said, “I am pleased to welcome Jon Stonehouse to BioCryst. We expect to benefit from Jon’s broad range of experience in product and business development, commercialization and from his proven leadership ability. We look forward to working with him.”

Mr. Stonehouse joined Merck KGaA in 1999 as Vice President, Strategy, Business Integration and IT with responsibility for building the company’s licensing and business development presence in the U.S. He was then appointed Vice President, Global Business Development and Integration with responsibility to lead worldwide licensing and business development efforts for Merck KGaA Ethical Pharmaceuticals.

Prior to joining Merck KGaA, Mr. Stonehouse worked at both AstraZeneca and Merck & Co. He held several positions including National Sales Manager and Product Director, Omeprazole. In his capacity as Product Director, he was responsible for all clinical development and commercial activity for PRILOSEC in the US – the world’s leading prescription medication at that time. Mr. Stonehouse holds a bachelor’s degree in microbiology from the University of Minnesota.

About BioCryst

BioCryst Pharmaceuticals, Inc. is a leader in the use of crystallography and structure-based drug design for the development of novel therapeutics to treat cancer, cardiovascular diseases, autoimmune diseases, and viral infections. The company is advancing multiple internal programs toward potential commercialization including Fodosine™ in oncology, BCX-4208 in transplantation and autoimmune diseases, peramivir in seasonal and life-threatening influenza and BCX-4678 in hepatitis C. BioCryst has a worldwide partnership with Roche for the development and commercialization BCX-4208 and is collaborating with Mundipharma Holdings for the development and commercialization of Fodosine™ in markets across Europe, Asia, Australia and certain neighboring countries. In January, 2007 the U.S. Department of Health and Human Services (DHHS) awarded a \$102.6 million, four-year contract to BioCryst for advanced development of peramivir to treat seasonal and life-threatening influenza, including avian flu. For more information about BioCryst, please visit the company’s web site at <http://www.biocryst.com>.

Forward-looking statements

These statements involve known and unknown risks, uncertainties and other factors which 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. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Some of the factors that could affect the forward-looking statements contained herein include that DHHS could reduce or eliminate funding for peramivir, that we or our licensees may not be able to enroll the required number of subjects in planned clinical trials of our product candidates and that such clinical trials may not be successfully completed, that BioCryst or its licensees may not commence as expected additional human clinical trials with our product candidates, that our product candidates may not receive required regulatory clearances from the FDA, that ongoing and future clinical trials may not have positive results, that we may not be able to complete successfully the Phase IIb trial for Fodosine™ that is currently planned to be pivotal, that we or our licensees may not be able to continue future development of our current and future development programs, that our development programs may never result in future product, license or royalty payments being received by BioCryst, that BioCryst may not reach favorable agreements with potential pharmaceutical and biotech partners for further development of its product candidates, that BioCryst may not have sufficient cash to continue funding the development, manufacturing, marketing or distribution of its products and that additional funding, if necessary, may not be available at all or on terms acceptable to BioCryst. Please refer to the documents BioCryst files periodically with the Securities and Exchange Commission, specifically BioCryst's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K which identify important factors that could cause the actual results to differ materially from those contained in the projections or forward-looking statements.

#