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BODY:

JOHN JACKSON, CHAIRMAN AND CEO, CELGENE CORPORATION: Thank you very much and I'm delighted that you are taking the time to listen to the Celgene story. Of course, here in Washington today where a lot of the very important decisions taken by the FDA and others can impact companies such as ours. And of course, a very positive for Celgene is when the passed the Medicare reimbursement for pharmaceuticals, which we think could have a very positive impact on our business as we go forward. So, we're very conscious of the importance of working closely with the FDA and all the government officials.

As I have to remind you, we will be making forward-looking statements. These involve risks, both known and unknown. Ever since I joined Celgene almost a decade ago, we had established a mission to build a highly profitable worldwide biopharmaceutical company and I never felt more confident, based on the latest data on Revlimid for multiple myeloma, that we can achieve this objective.

And this is an easy objective to write up. But as those of you who invest in biotech, it is not an easy objective to accomplish. But Celgene is extremely well positioned, in our view, to accomplish that goal. First of all, as you'll see in a later chart, we've had rapid revenue growth, which has allowed us to really pump the significant sum into our research pipeline.

Revlimid really, truly has the potential to transform Celgene in a very major way. If you step back and think about the big firms, like Pfizer or Merck, they need multiple blockbusters just to keep their growth profile where it is. For a firm like Celgene, one blockbuster can have an enormous impact on both the earnings sales and, of course, our ability to grow this company.

We also have a signal in San Diego, one of the firms that truly understands intracellular signaling and our view of that, to a great degree, is the future of understanding pharmaceutical research. And we believe that, ultimately, many new compounds can come out of this knowledge. We're proud of our pipeline. It's one of the best in biotech in our view. It reflects the fact that, as a management team, we've consistently invested into the future and will continue to do so. And we're sitting on close to \$800 million in cash. This is also, is a very important element when evaluating investing in biotech.

Also, of the years, we're proud of the management team we've built up. I can say, over the last 18 months to two years, very significantly strengthened our management team at all levels and we're extremely well positioned today to take advantage of the wonderful opportunity represented by Revlimid. Now, clearly, the key development recently with Celgene was the data coming out of the multiple myeloma special protocol assessment trials and - which we announced, we were hoping, based on the fact they met a remarkable P value of 0.00125, but I think we said they overwhelmingly beat that P value at both trials separately with that P value - better than that P value. So, that's pretty exciting. That data will be presented, at least the top-line data, in Australia next month.

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Just taking a look at this chart, it unusual for a biotech to be profitable and we now are very confident that, with Revlimid introduction, we can accelerate the earnings of the company. Stepping back to look at products that are actually on the market today and then the pipeline, Thalomid, as you know, we've estimated that worldwide revenues to Celgene this year will be approximately \$400 million. That's a widely used multiple myeloma. Alkeran, with a multiple myeloma indication from the agency, small product. And then the Ritalin, Focalin franchise where we believe there's upside potential as we move ahead, based on the Focalin XR launch later this year.

I guess most people are excited about the IMiDs pipeline, certainly. Celgene, in this IMiD pipeline, we view as a treasure-trove of potential new products, not only in cancer, but also in the inflammatory autoimmune diseases. Because almost all of them have TNF-alpha activity, which has been shown to be very important in the autoimmune and inflammatory indications. As you can see, there's a whole series of compounds coming out of this pipeline. Revlimid, the first, Actimid, already shown to be active in multiple myeloma, and two new compounds that are entering - one, Phase I, and the other preclinical, about to move into Phase I.

The earlier stage pipeline you see a lot of depth there. The tubulin inhibitors, we just licensed out to EntreMed, the company where we control approximately 35% of the voting stock. Let's look at Thalomid quickly - 80% -- it's interesting, 80-20 rule here. Eighty percent of the cancer usage is in hematological malignancies. Approximately 80% of that 80% is multiple myeloma. Clearly, the product has been on the market for seven years. Prescription growth has clearly slowed. Fortunately, we're in a position where we've been able to significantly increase price. And there are some factors that we think can drive a regrowth in the prescription, particularly, obviously, should we get the multiple myeloma claim approved by the agency. That submission of the additional data - we have an approval letter - the additional data will be sent in shortly.

Ritalin, Focalin is a major agreement for Celgene. We get approximately 30% of all the revenues, not only for Focalin, but for Ritalin. I believe it is the first example of an agreement with a company that discovered a product pays royalties on the product they discovered to another company. We discovered, of course, Focalin, which was a chirally pure version of Ritalin. It's a rapidly growing market in excess of \$3 billion last year. Novartis has a relatively minor share of this market. I believe they're hopeful that with Focalin XR and the clinical data that has been generated, they'll be able to very significantly increase their share.

On approval, and the PADUFA date is late May, we are entitled to a \$20 million milestone payment and the launch preparations are underway at Novartis. The other thing is Ritalin has approval only for children. Focalin XR, we are hoping for approval for both adults and for children. This is a highly competitive market, but we do believe there's potential to establish Focalin XR as a significant player in this market.

Let's turn to the IMiDs. Clearly, with Revlimid, the myeloma clinical data is extremely important. I think it's a very significant risk reduction for investors in Celgene. And I think people will be very pleased with that data as they see it come out. In MDS, the data in the Phase II trials is extremely encouraging and very positive. So, we're moving ahead with a regular (inaudible) plan to file. The Phase II MDS data, and that will be followed up, at the appropriate time, with the multiple myeloma data, which is being, obviously, collected as we speak. For those of you who are not familiar with the process, it takes quite a period of time. You're looking at probably four or five months before all the data is ready for submission in the myeloma.

Actimid, we've talked about some of the data at ASH showed extremely high complete response rates in patients with refractory/relapsed multiple myeloma. It appears to be a stronger compound than Revlimid. The side effect profile is a little - is not as good -- but as a very potentially place for Thalomid, Revlimid and Actimid in that space. And the new compounds, 11006, was designed out at signal to get rid of the neutropenia that we see with Revlimid, which is probably the key side effect that you'd prefer not to have if you could get rid of it. So, that's pretty exciting. This is in the primate. There's no neutropenia with this compound.

Let's look at Revlimid. This is data many of you are familiar with. The Phase II data was presented at ASH, showed that - and relapsed/refractory, we had a good response rate. Particularly, when you added dexamethasone, response rate was almost additive and jumped up very substantially. And of course, this had encouraged us to believe our Phase III results would be positive. But certainly we were taken by surprise that both trials met that very tough P value in terms of efficacy and needed to be altered.

There's also data presented in other combinations. Combinations, as you know, are widely used in multiple myeloma. In fact, I think there's also potentially very exciting data on the combination of Velcade and Revlimid to be presented at some stage. And across all stages of myeloma, we appear to be getting good results. Those of you who

were at ASH saw the Mayo Clinic data, where in 30 newly diagnosed patients, 25 had a response. Two more patients hadn't had the second checkup required to confirm a response. Those are now both responders. And two more had a 50% reduction in paraprotein, but didn't meet all the criteria for - to be considered a response. But you can see this is an effective drug, apparently, based on a small number of patients, newly diagnosed and, of course, from a refractory/relapsed.

Let's turn to MDS. This is a Phase II open label trial with a 5q minus - patients with a 5q minus deletion. Most of these patients have been diagnosed for over three years. The results were extraordinarily positive - 64% had a response. And importantly, the median hemoglobin increased close to four grams. For those of you familiar with that, the hematologists consider that truly remarkable. And these responses, the median duration has not yet been met. This slide says it all to me. You can see here pretty much solid blue. Once you respond to this drug, you're almost certain to continue responding for long periods of time. And we have many patients who have now gone over two years as responders.

Just to give you a sense of the size of the markets we're talking about - and again, these data - the key message I want to get across is a) by adding MDS to our targets with Revlimid versus Thalomid, we're basically doubling the size of the market in the United States. And secondly, because MDS is a disease of the aging - the older you are, the more likely you are to get MDS - that this is a rapidly growing condition. In fact, I understand it's the most rapidly growing hematological cancer. So, there are big markets with big opportunities. Of course, with Revlimid, we have the worldwide potential that - with Thalomid, we're basically in the U.S.

We're very fortunate that Celgene - the timing of this MDS myeloma data fits into a fabulous calendar in terms of making sure that hematologists and oncologists around the world are familiar with this data before the launch of the product. There's a major conference of all the top thought leaders in myeloma. In Australia, it's the conference that takes place every two years. And the data on the myeloma will be presented at that conference. Then we have ASCO. We're expecting a very strong ASCO where a lot of data relating to Thalomid and Revlimid will be presented. And then, an important, actually almost coincident to ASCO is the biannual MDS meeting taking place in Japan. So, the opportunity to talk about the Phase II and the Phase III data at these meetings.

And that's followed, in Europe, by the European Congress of Hematology. The four key meetings, where most of the thought leaders and many of the practicing physicians will be exposed to this data. And as an observation, I can say most of you know that our sales force is out talking to hematologists. And the first question that they asked today is when will Revlimid be available?

What are our plans through this IMiD class? How can we take advantage to maximize the opportunity for our investors? Clearly, go ahead and file the NDAs. The MDS submission has been completed. It is - the electronic submission links are being finalized and it will be completed and sent in next week. As far as the European authorities, the MAA (ph), and others, we're having very significant discussions. Also, with the agency, there are almost daily discussions about how to approach this multiple myeloma data and bring it in as quickly as possible. So, we're having very proactive discussions with them.

The other important point on this slide is Celgene, like many cancer companies, get terrific financial support from the NCI - National Cancer Institute. So, all these trials are basically supported and paid for by the National Cancer Institute. We're proud of the fact that most of them have picked Revlimid for very significant, important and very expensive trials, if we were to run them ourselves. And you can see we're expanding out into a lot of other additional cancers, including solid tumors.

The rest of the pipeline, we have important PD4 inhibitors. The lead compound is in two Phase II studies. One in psoriasis, another in asthma related situations. And we should have results from that by the end of this year, to give a sense of do we have a potential new class of important compounds there. And then, moving in to where many of these products came out of our signal acquisition in the year 2000, the kinase inhibitors and, particularly, the Jun Kinase is considered an important target. Levak (ph), as you know, is a kinase. So, there is a very significant opportunity here and in the next five to six years, hopefully, we'll get important new compounds out of this area.

And then, quickly, just looking at the rest of the pipeline, very early at stage, we have made a decision. We will have, in the full, an investors day where we can do justice to talk about this pipeline in depth because we never have enough time at these meetings to really get into the detail. And we need the right scientific people up there to give you the detail on why we believe many of these compounds could have significant opportunity. I mentioned the tubuline

inhibitors were just licensed to EntreMed. And where we cover very close relationship, as I mentioned, and I think we control approximately 35% of their stock.

We also have, and I didn't mention yet, an antiproliferative, CC-8490, that is being studied in brain cancer, glioblastoma, by the NCI. And we're waiting some results from those trials. We rarely have much time to talk about our placental stem cell business. Interestingly, we bought this business because we were working on the molecular mechanisms of action for Thalidomide and the IMiDs, which is obviously, extraordinarily important to understand the signal. And one of the ways you do this, apparently - I'm not a scientist - is to use stem cells.

And we've got reports back from Anthrogenesis, a small stem cell company in New Jersey who is doing this work, that the IMiDs had an extraordinary ability to direct stem cells in different directions, i.e. cardiovascular stem cells or neuro stem cells, et cetera. And as a result, we made an investment in the company, had an agreement that we could buy them out within a year if we made that decision. And we proceeded to do that. We do believe that stem cells, in the long term, could be extremely important. It's another example where Celgene is willing to invest today for something that may not pay out for a decade or more. But we wanted to be well positioned to take advantage of this opportunity.

We've already initiated a Phase I trial in sickle cell anemia and there's other important work going on in many different areas. And I think you'll hear a lot more, particularly at our investor analyst day. In the fall, we will have time to really detail the exciting developments in this group.

Financial guidelines are the same as they have been for - at the beginning of the year. Nothing has changed. Thalomid revenues, in the range of 400 million, this does include the revenues that we get from Pharmion, who's our partner in Europe, where we get approximately 20% - or 22% of their revenues. Total revenue, which includes then the Ritalin, local franchise of approximately 60 million is 525 million (inaudible) in the \$195 million range. And SG&A, as you can see here - \$140 million range. And the EPS - 55-cent range, which is a very significant increase from last year.

These guidances do not include the Revlimid launch expenses. Should we be fortunate and get approval for Revlimid before the end of the year, then there would be a very significant launch effort. However, I would imagine the net would be a positive impact to the earnings, should we be fortunate and be able to launch. And of course, the guidance includes stock options. These will be running about four or five cents a quarter, based on our current stock price.

Many major milestones lie ahead. Obviously, everybody at Celgene - we're moving into almost seven day a week mode here. And particularly, in the market, in regulatory areas that gear up for the launch of Revlimid. It's very exciting times at the company. So, there's a lot of focus on that. But how many companies will get three or potentially four NDAs or sNDAs approved this year? The Thalomid sNDA, centrally, two indications with Revlimid and Focalin XR. So, we're really in that sweet spot with a lot of approvals coming this year. That's very exciting.

Actimid, you'll be hearing more about later in the year. We do intend to develop this compound into multiple myeloma. I think one of the very interesting things we've learned is we know that Revlimid works with Thalomid sales in multiple myeloma. I think close to 40% of the patients in the United States, in that Phase III, were Thalomid failures.

And that's the ultimate challenge, of course, for an analog of a product if it works with apparent sales. There's growing evidence, but only anecdotally, that if you fail Revlimid, you can respond to Thalomid. And that's obviously very important because it means that there will continue to be a place for Thalomid after the Revlimid introduction. And based on that, we believe that Actimid also is going to play an important role.

You might be able to rotate the velcades, the other compounds used in melflands (ph), the alchorans (ph), the Revlimids and the Thalomids. And to hopefully extend life for multiple myeloma patients very significantly. We're also looking for new compounds for license. Unfortunately, for us the oncology space is clearly a sellers market - difficult to find good products at reasonable valuations, but we're consistently looking. We're also in this process of making a decision - should we launch Revlimid in Europe ourselves? Should we partner? We have very significant discussions ongoing with several potential partners to partner Revlimid outside the United States. And the balance is should we do it ourselves or partner? And there's actually some very interesting strategic considerations in the decision. But sometime this year, you'll definitely hear whether or not we're going to partner or do it ourselves.

So, just wrapping again, we're in the fortunate position of rapid growing revenues, sitting on top of what has the potential, with all the risks involved, of being a very significant blockbuster product for Celgene and also, in the fortunate position, our products really help patients live longer. I think cancer is a very different area than many others,

in terms of understanding the side effect profiles of much more acceptable, when you're dealing with life-threatening diseases than, say, cardiovascular or antirheumatics.

Also, the pricing flexibility in the United States has been, in my view, has accomplished exactly what it's supposed to do, which attract a lot of people into the cancer space. And there's nobody in this room who won't be touched, one way or another, by cancer. So, let's cure it.

Again, a lot of cash to get the job done and, in my view, a great pipeline reflecting the continued investment into the future that the management at Celgene wishes they will continue to do.

So, thank you very much for your time. We'll move up to the next - second floor, I guess it is for breakout.

I'll look forward very much to answering any questions that you have.

Thank you.

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