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ZymoGenetics Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Our first question is from Marshal Urist from Morgan Stanley. Please go ahead with your question.

Marshal Urist - Morgan Stanley

Yeah, hi, guys, good afternoon.

Bruce Carter

Good afternoon.

Marshal Urist - Morgan Stanley

First of all, could you give us a sense of what you guys are planning on doing differently from the formulary placement process, going forward in the back half of the year, as we expect to start to see follow through on sales?

And then second, what are you seeing early on in terms of share or order patterns from the formulary space that you're sharing with bovine thrombin?

Bruce Carter

I can't give an answer to the second half of the question. With respect to the first half of the question, you have to remember that it was early in the middle of June that we had the 20,000 units in the spray kit available, and really it was only post that period in which are reporting that we have all the GPL contracts filed. Three of those are effective in July and the fourth was effective on the 1st of August.

And I think what we have to do as we continue to go forward is to bring forward the advantages of plasma free RECOTHROM, and we have to bring forward the advantages that coagulative -- I wish I could say, clotting c problems are not just a theoretical issue, that there are many instances and is probably on the report and we have to bring that and make that alive to hospitals.

Marshal Urist - Morgan Stanley

All right. And then just one other follow-up, when you say you have 75% your target market covered, can you give us a sense of, obviously that the GPO government purchasing agreement? Then you

can give us a sense of that 75%; how much, how far are you on the formulary placement part of it to drill down to the hospital level?

Bruce Carter

I am not sure I could answer that; when I say 75%, our target hospital is 1200 hospitals.

Marshal Urist - Morgan Stanley

Okay.

Operator

The next question is from Han Li with Stanford Group please go ahead with your question.

Han Li - Stanford Group

Yes, good afternoon everyone.

Doug Williams

Hi.

Han Li - Stanford Group

Hi. Question on RECOTHROM. Now you have a full quarter of sales of RECOTHROM, can you give us some color on the price dynamic on the market for a stand-alone thrombin. Is this a price sensitive product or market? Do you have to give a significant discount to gain market share?

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