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## ZymoGenetics Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

Ladies and gentlemen we will now be conducting a question-and-answer session. (Operator Instructions). Our first question is from Han Li with Stanford Group Company. Please go ahead with your question.

#### **Han Li - Stanford Group Company**

Yes, good afternoon. Two questions. One is on RECOTHROM. You said you have 60 P&T committee meetings took place in the past several months. What has been the sticking point in discussion to the P&T? Is it because of lack of the 20K unit or spray or is it good resistance from the recombinant bovine product or pricing?

#### **Bruce Carter**

I don't think we do have a sticking point. As I pointed out, of the 60 that have met, 22 agreed to completely switch to RECOTHROM, 27 decided they would add RECOTHROM. As we've said before, it takes time to get on these P&T committee agendas. Even if they meet monthly, there's no guarantee, and indeed we're not necessarily getting on the first month. I think I mentioned at previous call that I had been out with a salesman and we went to visit the University of Washington, were talking to the pharmacist, and I asked are we on the P&T committee, and I was told yes. And when I asked, "Well, when?" they said June. So, it simply takes time to go through this process. And what I was trying to point out is that, when we get on those P&T committee agendas, we are having success.

#### **Han Li - Stanford Group Company**

Okay. When you say added to the list, does it mean they carry both bovine and recombinant product?

#### **Bruce Carter**

Correct.

#### **Han Li - Stanford Group Company**

But will that for long, or is this just a temporary testing period?

#### **Bruce Carter**

I am sorry I didn't catch the last part of the question.

**Han Li - Stanford Group Company**

Should the hospital carry two products, are in the same category.

**Bruce Carter**

I think that will occur for a period of time, but we think that eventually they will only carry one.

**Han Li - Stanford Group Company**

I see. And quickly, switching to Atacicept, what's your comments on the Rituxan setback in lupus? And also on the lupus and nephritis trial, you have head-to-head comparison to against CellCept. What's the rationale of it? Why not a combination?

**Doug Williams**

So, our reaction to the Rituxan clinical trial situation, this is Doug. Is basically that -- I think its important to note that -- well actually there are several things to note? First and foremost, even though there is some overlap in the mechanism between Atacicept and rituximab, they are two very different drugs that work in two very different ways. I think it's also safe to say that the trial design between what rituximab was trying to and explorer versus what we're attempting to do in our general SLE study are vastly different.

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