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Enzon Pharmaceuticals Inc., Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you sir. (Operator Instructions). And our first question will come Ian Sanderson of Cowen. Please go ahead.

Ian Sanderson – SG Cowen Securities

Good morning Jeff and Craig. Thanks for taking the question. Just in looking at the remaining Enzon what is the level of ongoing R&D spend that we should figure there? And it sounds like there will be a heavier level behind Oncaspar and Adagen in the near term but maybe if you could give some guidance on what we should be looking for there.

Craig A. Tooman

You are absolutely right. So if you will look at constant R&D spending just for the quarter and compare that to our notion of our guidance of 70 to 80 million plus standard milestones, those two programs will comprise approximately a third of the R&D spending for the year. That will give you some general estimate as to what we will spend in the latter half.

Ian Sanderson – SG Cowen Securities

And that level of R&D spend presumably should decline once you get the transfer, the manufacturing over, right?

Craig A. Tooman

That is right. It is essentially a two year R&D commitment on Oncaspar and Adagen on our behalf.

Ian Sanderson – SG Cowen Securities

Okay. And then for Jeff, what is the cash burn forecast for this spin out company assume regarding partnering if anything?

Jeff H. Buchalter

Too early and we decided 150 million would be approximately two to three years of cash but certainly we have not included all these financials yet in estimates.

Ian Sanderson – SG Cowen Securities

Okay. Then and finally just on the quarter, Oncaspar, the level of price increase if you could remind us of that again and what was behind the international shipment?

Jeff H. Buchalter

The international shipments are just partner arrangements that we have on an ongoing basis. It is just that we did not have them for the same period for the first quarter last year so that 1.2 million delta there. And in terms of the price increase as has been reported that price increase was high double digits and the reason we did that is in two years a row really to offset some of this investment that we are going to have to make as it is very significant. Both in raw material costs into us and the extra work we are going to have to do in CMC and R&D.

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