

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## Memory Pharmaceutical Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

---

#### **Operator**

Thank you.

(Operator Instructions) Your first question comes on the line of Terence C. Flynn with Lazard Capital Markets, please proceed.

#### **Terence C. Flynn - Lazard Capital Markets**

Hi, good morning, thank for taking the questions. Just two questions, the first I am just wondering the milestones payment from Roche associated with Phase 2a trial of 3454 for AD, is that going to be recognized as revenue once it is received or there is like going to amortized?

#### **Vaughn M. Kailian**

And what is your second question?

#### **Terence C. Flynn - Lazard Capital Markets**

The second question is with respect to the ongoing Phase 2a trial of 3454 for schizophrenia, I am just wondering if you can give us a sense of higher thinking about the possible outcomes from the matrix battery, do you need to see a positive signal from all the batteries or other certain batteries and particular out of the 8 to 10 that you are focused on and you think are more important than others.

#### **Vaughn M. Kailian**

Okay, so I would like Jim answer your first question and Stephen will take your second question.

#### **James R. Sulat**

Terence we are going to recognize the revenue that we receive as part of its milestones for the same way as you recognize all of the cash that we receive from Roche under this agreement and specifically what that means is they get amortized over a period of time going into the future basically between now and when we would expect the first candidate from the program. That is true for all of the other revenue and it will true for any milestones we will receive from Roche as well. So it will get recognized by over the next six or seven years something like that.

#### **Stephen Murray**

Good morning Terence. With respect to your question about the schizophrenia study, the matrix salary as you know is composed of seven domains and the matrix is working on the domains. The primary endpoint in that study will be this composite score which combines all of those, although obviously it is a Phase 2a study, to prove a concept study we will be looking at all of the good domain if there is any specific areas where the compounds work better than others but the primary endpoint is the composite score.

**Terence C. Flynn - Lazard Capital Markets**

Okay, but then in terms of those demands, I mean are there any that you would like to call out in terms of that you think you more likely see a signal there given what you know in AD trial or given that it is an alpha-7 compound?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.