Bentley Pharmaceuticals, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Your first question is from David Merris with Balyasny. Please go ahead.

David Merris

Good morning guys. Question on the strategic options on the generic business without going in to any details, I am sure you wouldn't – what's been the reaction since the announcement? Can you characterize any of the level of interests of the Indian companies, US companies, multinationals, what European companies? How would you gauge the interest at this point?

John Sedor

Dave, I will start it and then I will ask Rich to start with. First of all, I don't think its appropriate for us to get into any discussion of our strategic options and we are actually out with that today. Rich if you want to comment on that.

Richard Lindsay

Yeah, David. It is a definitely a fair question and it is not the first time that we've had these types of inquiries. All we can say now is that during October, we announced that we were getting into this process in a public fashion and at this point, the company has no further comment on the process until we resolve it at the end. So I am afraid we are not going to be able to answer your question directly.

David Merris

And then separately, when would you hope that the strategic review process would be over.

Richard Lindsay

Well that the process itself is a fairly active process and in these types of process, when we are trying to determine course of strategy as we learn more information, our path may change. So I don't think, I can give you definitive time line at this point.

David Merris

Okay. Thank you very much.

John Sedor

Thanks Dave.

Operator

Thank you. (Operator Instructions). Thank you. Your next question is from Kenneth Smith with Lennox Equity Research. Please go ahead.

Kenneth Smith

Thank you. John can you characterize or quantify at all what sort of gross margin improvement you might be able to realize in a way from bringing on your API facilities for those products you mentioned?

John Sedor

Ken, let me look at Rich on this one here, because?.

Richard Lindsay

Yeah Ken, what we expect on the API plant is we have already started to produce some of our own API in Spain in the fourth quarter of ?07 and late fourth quarter. A lot of the activity is around pilot batches to get us ready for full production in 2008. What I can't characterize is that we are producing that material significantly cheaper than our purchase price. We do expect it to impact margins very favorably on our omeprazole products in ?08 in Spain, which is our largest product by volume that we have. But I struggle with trying to communicate any type of forward-looking statement on how that impacts the overall gross margin and that if we really vary on our product mix going into the year.