

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

## Lexicon Pharmaceuticals Inc. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions). And our first question comes from Sharon Seiler with Punk, Ziegel & Company.

#### Sharon Seiler - Punk, Ziegel & Company

Its Sharon Seiler, how are you? Two questions, one is what do you think will be the next IND after the diabetes compound? And the second more strategic question, which is -- I know you've discussed in the past that probably proof of concept would be the ideal point to partner the programs that you are bringing forward yourself. But it seems to me that you must have more targets than you could hope to develop on your own. What is the strategy for monetizing some of these other assets that you don't plan to take forward yourself?

#### Arthur Sands

Well, thanks Sharon, good question. The next IND after the diabetes compound, I'll tell you there are several contenders for that slot. At this stage, I can't make a prediction as to which one it will be, but I can tell you that our glaucoma program LG710, which is on our 10to10 pipeline slide, continues to proceed and is quite promising. You may recall that the novel mechanism that blocks the outflow of aqueous humor from the eyes. So it would be a new way to treat glaucoma and we're of course going after a locally acting agent there. So I'd say that that is definitely a contender.

Behind that we have several metabolism programs that are also proceeding. We have our advancing antibody programs which were, I'd say, put somewhere in a similar time zone and those are LG843, LG842. Then there are several after that, but I think the two I named are definitely ones to keep your eyes on.

With regard to your strategic question on partnering, we are -- really coming up on several potential POC's or proof of concepts with our compounds and I do think that those are the preferred sort of partnerships at this stage for the company's development and have the highest value. Several of our programs demonstrates or can demonstrate proof of concept may do so, at least pharmacodynamically through some of the biomarkers that they modulate, and so in so far as those biomarkers read on disease mechanism we think that we'll have those opportunities.

With respect to the other targets, we really would prefer to advance those targets now into drug development before considering target-based partnerships. However, we do continue to have interest for such partnerships and I think it is rational for us to consider, perhaps other mechanisms

of addressing other moieties that might address certain targets in our portfolio, where we are not addressing them with either small molecular antibodies, so these might be things that include RNAi or other kinds of external protein therapeutics that we could look at. But any target based deal we would do, would be very directed and proximal to drug discovery and development. And again I think that's where the highest value is.

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