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## Vertex Pharmaceuticals Incorporated Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). And your first question comes from Rachel McMinn from Cowen & Company. Your line is open.

#### Rachel McMinn - Cowen & Company

Thanks very much. To start off with you, Ian, can you give us a better sense of what was in your P&L as variable, the guidance range is still quite wide, you haven't really changed it. There's only two months left in the year, is it on a spend side or on the milestone side?

#### Ian Smith

Thanks, Rachel. Thanks for the question. Let me just make sure that we are talking about the same thing. We actually provided financial guidance in our second quarter call where the loss was projected to be between \$390 million and 410 and that's where our guidance remains at this point.

As we look to the fourth quarter, we do expect to be an increase of R&D expenses just commensurate with the stage of the programs and the starting of the treatment failure registration program, and that should also drive revenue, but it should move the loss up in the fourth quarter, but I believe we're still trending towards that 390 to 410 loss.

#### Rachel McMinn - Cowen & Company

In terms of two other questions, on VX-809, is there anything you can tell us there, based off of the early clinical work. I know it's very distinct from 770 it is chemically, but is there anything that we can learn from the initial data that you have there as to your expectations of what it should look like when you put it into patients?

#### Freda Lewis-Hall

That's an excellent question and of course we're very excited about being able to analyze and report out the data on 809. Unfortunately, we don't have anything that we could share with you now.

#### Rachel McMinn - Cowen & Company

Okay. Then, lastly, in terms of PROVE 3 when the full data become available for the control arm, is that something you plan on updating investors in a timely manner or will it just be, we have to wait for medical meeting to get the final data.

**Joshua Boger**

So I'll **charter** that question, because it sounds like the disclosure question. As you know, our policy with the trials that have the potential to be used for significant advances with our FDA. We'd like to preserve the integrity of trials. So at this stage, to ask us how we're going to disclose the PROVE 3 control arm, at this stage, I would hope that we're preserving that data for discussion with the FDA ,first, and then to see if it's useful next year, but it may change, but that's how we think about it right now.

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