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Sepracor Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, and ladies and gentlemen, the floor is now open for questions. (Operator instructions) And the first question today will come from the line of Manoj Garg with Soleil Securities. And your line is open.

Manoj Garg – Soleil Securities

Hey. Good morning, guys. I have two questions for Bob. Bob, we're showing some variance between the prescription trends and the reported sales on both LUNESTA and XOPENEX. Can you comment on inventory fluctuations as well as ASPs?

Bob Scumaci

Let me give you an inventory off the top. LUNESTA, overall, showed about a million units decreased from 9/30 to 12/31. Okay. And then the UDV, went down about 5 million units at the inventory level, okay, from 9/30. Now on the average selling prices, I really can't comment on the average selling price. But I think it given the (inaudible) prices for UDV, it's \$3.55, and at the end of last year, it was \$2.97, so you can run the calculations. And then LUNESTA's \$4.63, and in January it was \$4.22.

Manoj Garg – Soleil Securities

Okay. Great. And then second question, longer term, what level of operating cost did you think Sepracor could ultimately achieve with this product portfolio?

Adrian Adams

Well to be honest here, good question. Obviously, we don't give forward projections beyond the year that we're in. But as I continue to comment certain – in the course of 2008 and on this call, particularly at the last two guidance, I think we have been very focused and I hoped you're pleased with the results on delivering enhanced – a better cost structure and improvements in our ratios over the course of time. I think in streamlining our organization, we've obviously balanced out the current portfolio and the opportunities that we have, that Mark referred to, with what we considered to be the really key value drivers from the research and development perspective.

Clearly, as we balanced out the costs of Phase III initiation of trials and R&D, as the program starts to wind down, we will do that (inaudible) in the balance right from overall cost structure point of view. So we can't give projections in the future other than an outright commitment to continue to make sure

that all cost ratios move in the right direction whilst never losing sight of the key value drivers of the future.

Manoj Garg – Soleil Securities

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