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Halozyme Therapeutics, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

And the first question comes from Kevin DeGeeter.

Kevin DeGeeter

Hi, good morning, guys.

Jonathan Lim

Hi, good morning.

Kevin DeGeeter

A couple of quick questions here. For the glucodynamic study and inter-patient variability study for insulin, should we eventually look for those being presented? Is that also EASD or is that some other form?

Jonathan Lim

Yes. We're not sure yet Kevin because we just started that but we will give more guidance later this year.

Kevin DeGeeter

Okay.

Jonathan Lim

It should be a fairly quick study though.

Kevin DeGeeter

Likely in the third quarter in terms of when we might see that data in some context?

Jonathan Lim

It could be, still it is a little early for us to know precisely when but, yes, Q3 or Q4 would be reasonable.

Kevin DeGeeter

Okay, and maybe here just one or two quick timing questions for David here. Help me just – I guess make sure I'm thinking about the cash payments here from Roche in the right manner here. The \$10.25 million you received in December that was all received in the fourth quarter, correct?

David Ramsay

No, it wasn't, Kevin. Actually the majority of that was received on January 2nd.

Kevin DeGeeter

Okay and that's the \$6 million?

David Ramsay

Yes, correct.

Kevin DeGeeter

So where is the other \$4.25 million? Was that in December or is that still –

David Ramsay

That was received in December and booked to deferred revenue.

Kevin DeGeeter

Okay. And the \$6 million will be booked to deferred revenue as well?

David Ramsay

Most of it not all of it, but a good chunk of it.

Kevin DeGeeter

Okay, and amortized over what period or reversed under what circumstance?

David Ramsay

Amortized until 2024.

Kevin DeGeeter

Okay, perfect and just help me I guess and understand I don't want to dwell on it, but understand why you received the \$4.25 million than the \$6 million. I am assuming that pertains to different elements of –

Jonathan Lim

It does, Kevin. The \$4.25 million is maintenance payment that had a slightly different payment schedule, and so we received that prior to year-end. So that's something that we'll receive on any annual basis provided Roche keeps their remaining targets, option period open.

Kevin DeGeeter

Okay, and maybe one more from me then I will get back in queue. With regard to exploring strategic alternatives for Chemophase, are you going to wait until later this year and you have a full data package to go out with perspective partners. I'm assuming that's how we should read that announcement or is that something you hope to move aggressively with the data you have in hand.

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