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QLT Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Doug Miehm - RBC Capital Markets.

Doug Miehm - RBC Capital Markets

Just the commentary around Novartis and it almost sounds like you're thinking of taking that on yourselves potentially. Is that going to be a function of the results that come out of these 12 month studies or are you working ahead with that assumption anyway?

Bob Butchofsky

Well, I think there's two real issues there. The first is decision on requiring the U.S. support and the second issue is, our position is that Novartis should be participating in the MEEI judgment and they haven't as yet. So we continue to have a dialogue with them about how we address these issues and beyond that there's not a whole lot I can say Doug. We're in the middle of the negotiation. I'm hopeful that it will be resolved amicably and that both companies can go forward, but beyond that, there's not a whole lot I can say.

Doug Miehm - RBC Capital Markets

Okay. Timing though, perhaps you'd hoped to have something to tell us by the Q2 results?

Bob Butchofsky

Yes, I'm not going to be stuck on a timing issue for this. Novartis is a big company. They've got a lot of layers of management that have to approve any type of deal structure that we might negotiate. So, it's really difficult to give you an estimate on when we might resolve this.

Doug Miehm - RBC Capital Markets

Okay, great. As we think about the punctal plugs, what do you feel is more important; the ability to say, get this up to a 60% of Latanprost or the retention rates for the plugs themselves? Maybe you could expand on that. Thanks.

Cameron Nelson

They're both really important. So there's really two issues with the plug program. You have to have a plug that is retained and is comfortable for patients and we think you have to have a drug dose that gives you another millimeter or so of a drop in ILP. We think this platform could really be game

changing and believe that the benefits from this platform, of taking the patient out of having to take daily drops are potentially huge and really going to be important for treating this disease going down the road.

So we are exploring both of these issues in the platform. We expect to have at least preliminary data by the next quarter's call and we're hopeful that we're on the right path and we've got a plan together that will address both of these questions. So we're pretty excited about the direction the plug program is going.

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