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Celgene Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). We will take our first question from Brian Abrahams. Please go ahead, sir.

Brian Abrahams - Oppenheimer

Thank you for taking my question. Question on REVLIMID. As you mentioned, your guidance for this year implies that REVLIMID growth will accelerate substantially in the second half of the year. It seems like based on your discussion there is clearly a lot of significant catalysts for longer-term REVLIMID growth.

I'm just wondering based on the trends you saw this quarter, what are the most important growth drivers that we should look toward for the second half of this year? And what gives you the confidence that some of the macroeconomic issues that we saw in the first quarter are not going to impact things by the end of this year?

Bob Hugin

A very important question. I think there are a number of elements that are important to discuss as you look at REVLIMID's growth going forward. First, I think there are a number of economic impacts of the first quarter that are not unique only to the first quarter but have a very heavy significance in a year when a new Part D program starts and the deductible period starts again. So, clearly, January is a tough time for patients, who have to deal with the doughnut hole in that.

So, I think we saw some delays, but we've seen, I think, that being effectively managed and more aggressive education and awareness of the programs that are available for patients, so that we don't see a significant or we see actually a reemergence of the ratio between prescription and dispenses, the time between the prescription and dispense.

So, we haven't seen any worsening of those trends. We've seen stability those. I think some of the economic factors are clearly a first quarter phenomenon. Just having to deal with that, everybody has had to deal with a pretty significant environment. I think that that's being adjusted to in all markets, in some cases.

Going forward, clearly, we have a number of factors that are important. Getting the reimbursement approvals through the NICE was a very important event in the first quarter. We've got to translate that into funding through the different primary care trusts in the UK and the National Health Service there, so that we actually can begin the commercial launch in the UK.

We're in late stage discussions with the Australian government and the Canadian governments, the provincial governments to ensure that those markets where we have very active programs in developing those markets through what we call Phase III programs, so that very high numbers of patients are already on the drug through those programs that will convert to commercial pay products once we have the reimbursement approved.

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