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Flamel Technologies SA Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question comes from Matt Kaplan from Ladenburg. Please go ahead.

Matt Kaplan - Ladenburg

Just following up on some of your prepared remarks, can you talk a little bit about the visibility you have in terms of the transitioning of some of your feasibility studies to commercial agreements, meaning, I guess, you look at the stage of developments and maturation of those feasibility studies, what do you see, I guess, going out in the next six to 12 months in terms of some of those transitioning or, I guess, either transitioning to commercial agreements are falling off and no longer being there?

Stephen Willard

Sure. We wanted by creating the metric system, the metrics that we have in our slides, which are in our corporate presentation, we made a commitment to you, our investors, to give you as much information as we can about as many of the projects as possible. I did mention earlier that with two projects we are letting go because we have concerns about the financial viability and we have other things that we expect to be signing fairly shortly that can better utilize the scientists who have been working on those projects.

With regard to how the projects are progressing, there is a metric on page 29 of the slide that shows that we've gone from two projects a year ago in preclinical or beyond to 13. Because we have so many different projects now into preclinical and clinical work, I think I am very optimistic that we have a lot of opportunities for things to convert into the license agreements that we discussed. Although it's hard to have particular certainty with regard to any particular project, but with 13 projects there and with some other projects where we are negotiating, hopefully, directly to go into license agreement, I think there will be a good bit of information coming from Flamel over the next six to nine months.

Matt Kaplan - Ladenburg

Just a quick follow-up on that. In terms of the two projects that you have [to offer] I guess, new projects that you expect to have online shortly, how should we think about those impacting your R&D revenues?

Stephen Willard

They will have no impact at all.

Matt Kaplan - Ladenburg

Great.

Stephen Willard

Go ahead.

Matt Kaplan - Ladenburg

No, go ahead. Sorry.

Stephen Willard

No. The answer is we've got other things that will immediately take up the scientists. So they will have no impact at all financially.

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