Q&A GENMAB

4th of November 2011
With CEO Jan Van de Winkel

Q&A Retail

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Transcript Live Q and A Genmab CEO Jan Van de Winkel, 4th of November

akademikeren	First of all thank you for being here. We have a lot of questions concerning Q3. But if you could start just higlighting the Q for us
Jan Van de Winkel	Of course. The highlights of Q3 were that we improved the guidance for continuing operations due to a reduction in expenses and we reduced the fair value of our manufacturing and an expected sale was moved into 2012 and this led to us updating our guidance with a new projected cash position at year end between 1 billion and 1.050 billion Kroner, also Arzerra net sales increased by 45% over the previous year's nine month period and back in August we published positive top line phase II data for a study of ofatumumab in second line aggressive lymphoma. Those were the highlights.
akademikeren	thanks I will proceed with the investors questions now.
Troldmanden	You have reduced the operating expenses by 25-50 mill DKK. Do you see an even lower level for 2012 than the 625-650 DKK?
Jan Van de Winkel	We have not given guidance for 2012 yet but we would expect our cash expense to be similar to this year
Troldmanden	Would you think a 15% increase Q on Q in Arzerra revenue is a too aggressive target?
Jan Van de Winkel	We prefer to focus on the long term sales growth rather than Q on Q and are confident that increased availability of clinical data, physician experience and approvals in further indications will build robust increased sales.
Collersteen	Do you have any measure of the uptake in terms of number of patients instead of revenues?
Jan Van de Winkel	GSK is responsible for the commercialistion of Arzerra and we dont have that level of detail.
dheena	What is the explanation for the factory sale delay/failure? Has there been any genuine interest in the facility?
Jan Van de Winkel	The reduction in the fair value of the facility was made after taking into account general market conditions, benchmark data and advice from our agent. It is a specialised facility and therefore it takes time to find the right buyer and we have signed CDAs and have parties visiting our facility and remain confident that we will execute a sale.
Akademikeren	It is quite a big write-off you make on the facility. Is it now for sale at this reduced price or is your asking price over the write-down?

Jan Van de Winkel	ultimately the value to the buyer will be based their specific calculations ie what they will use it for and the value of their next best alternative
Akademikeren	So is the write down also an effect of depressed or smaller manufacturing costs elsewhere in the industry?
Jan Van de Winkel	The reduction in the fair value of the facility was made after taking into account general market conditions, benchmark data and advice from our agent who is running the sales process. Our US office close to to the HQ of many big pharma companies and Wall Street also allowing us a time advantage so that we can continue working once the European Business day has ended.
Troldmanden	A follow up on the Arezea sales: I know it is prohibited to do any marketing in offlabel indications. But yet we see a huge offlabel sales in several cancer drugs. Would you think offlabel sales in arzerra would be influenced by new phase 2 and 3 results? And can you please remind us of the actual sales potential in 3. line CLL?
Jan Van de Winkel	We cannot comment on off label sales. Arzerra sales are likely to be driven by real life experience of the drug by physicians. Re the sales potential in 3rd line CLL - the double refractory patient population is narrow which is why we have a large number of Phase III oncology studies, several head to head to rituximab, and...
Akademikeren	where can we as investors track the interest of Arzerra? Is it ASH and Asco?
Jan Van de Winkel	over 70 investigator sponsored studies ongoing to further increase physician experience with the drug. ASH is a very important conference for hematology and we have 14 abstracts accepted for publication or presentation (10 for ofatumumab and 4 for daratumumab)
Akademikeren	could that drive sales even higher? or do you think Arzerra is fully penetrated in refrac CLL?
Jan Van de Winkel	Increased availablity of clinical data with Arzerra in various settings should optimise the use of the drug in hematology.
Troldmanden	But is it possible to put a number on the potential in the current labeling? More than $250 mill a year?
Jan Van de Winkel	Sales are impacted by both the current label and by the number of countries where the drug is launched.
Troldmanden	Daratumumab: How will a optimal partner look to you? One BIG pharma who covers the whole world or would you prefer a regional partner so you keep the rights for a longer period for the rest of the world?
Jan Van de Winkel	An optimal partner has a broad oncology experience, global capabilities and willingness to invest in many indications.
Akademikeren	Would you rule out GSK as a partner. They seem to fit that description?
Jan Van de Winkel	We have CDAs in place with a number of pharmas and have seen interest from a broad number of companies.
Akademikeren	One final question. We know you are a busy man. How do you see the coming 3 months newsflow in Genmab?
Jan Van de Winkel	We expect to see some newsflow - we have had abstracts accepted by ASH, and we are working hard to progress various business development programmes.
Akademikeren	Thank you so much for being here Jan. We really appreciate it. And congratulations with your guidance in Arzerra it seems spot on.
Jan Van de Winkel	Thanks, I enjoyed this interaction and look forward to doing it again in the future.

Q&A Retail

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