

# FINAL TRANSCRIPT

**Thomson StreetEvents<sup>SM</sup>**

## **CRXLF.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration**

**Event Date/Time: Sep. 28. 2009 / 7:00AM GMT**



Sep. 28. 2009 / 7:00AM, CRXL.F.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration

## CORPORATE PARTICIPANTS

**Oya Yavuz**

*Crucell - Director of Corporate Communications and IR*

**Ronald Brus**

*Crucell - CEO*

**Leon Kruimer**

*Crucell - CFO*

## CONFERENCE CALL PARTICIPANTS

**Vincent Meunier**

*Exane BNP Paribas - Analyst*

**Aaron Gravelock**

**Albertina Torsoli**

*Bloomberg - Media*

**Mike Ward**

*BioCentury - Media*

## PRESENTATION

**Operator**

Welcome to the Crucell media call on the strategic collaboration with Johnson & Johnson. My name is Sarah, and I will be your coordinator for today's conference.

For the duration of the call, you will be on listen-only. However, at the end of the call, you have the opportunity to ask questions.

(Operator Instructions).

I'm now handing the call over to Oya Yavuz to begin today's conference.

---

**Oya Yavuz** - *Crucell - Director of Corporate Communications and IR*

Thank you. Good morning, everyone. My name's Oya Yavuz. I'm responsible for Corporate Communications and Investor Relations at Crucell.

I'd like to welcome you all to this call on the strategic collaboration that we announced this morning between ourselves and Johnson & Johnson. On the call with me are our CEO, Ronald Brus, and our CFO, Leon Kruimer. Ronald will start the call with a short introduction on the -- about the collaboration, after which we'll open the lines for Q&A. The call is also being simultaneously audio webcast through our website, [www.crucell.com](http://www.crucell.com).

You should all have the press release from this morning, and with that, I'd like to hand over to Ronald. Thank you.

---

**Ronald Brus** - *Crucell - CEO*

Thank you, Oya. Good morning, ladies and gentlemen. Thank you for listening in here.

Sep. 28. 2009 / 7:00AM, CRXL.F.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration

It's obvious that we're very excited about this strategic collaboration with Johnson & Johnson. This collaboration is in place to develop innovative therapies, with an immediate focus on the treatment and prevention of influenza.

Johnson & Johnson also takes an 18% equity investment in Crucell, which gives us more than EUR30 million of capital injection -- sorry, more than EUR300 million of capital injection to invest in our business.

This strategic partnership focused on innovation is aimed at supporting and accelerating the discovery, development and commercialization of innovative therapies, all aimed at the prevention and treatment of infectious and non-infectious diseases, including influenza.

Crucell's unique technologies and know-how, combined with J&J's global expertise as one of the largest pharmaceutical companies in the world, will help us to accelerate the discovery, the development, and the commercialization of innovative new therapies.

In the future, Crucell also has the potential of receiving significant milestone payments upon successfully completed discovery and development, as well as royalty payments from market products that emerge from this collaboration.

Very importantly, we believe that Crucell's culture of innovation, entrepreneurial spirit and independence, will be preserved through this collaboration, whilst having access to significant expertise and experience of Johnson & Johnson in the development and commercialization of pharmaceutical products. This exciting collaboration supports Crucell's mission of combating infectious diseases by bringing innovation to global health.

Oya, I'd like to take it back to you, please.

---

**Oya Yavuz** - Crucell - Director of Corporate Communications and IR

Thank you, Ronald. Operator, we're ready to take questions now.

---

## QUESTIONS AND ANSWERS

### Operator

Thank you. (Operator Instructions).

The first question comes from the line of Vincent Meunier from France. Please go ahead with your question.

---

**Vincent Meunier** - Exane BNP Paribas - Analyst

Hello, Vincent Meunier from Exane BNP Paribas. Two questions, please. The first one is, can you please give us the impact on the partnership with Sanofi with the PER.C6 cell based vaccine?

And the second question is more details regarding the timing of the development of the flu-mAb project, when it will enter phase one, phase two, etc., please. Thank you.

---

Sep. 28. 2009 / 7:00AM, CRXL.F.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration

**Ronald Brus** - *Crucell - CEO*

Thank you. This is Ronald Brus. First, your question regarding our partnership with Sanofi Pasteur on the basis of our PER.C6 cell line, that is aimed to replaced embryonated chicken eggs as a production platform for influenza virus vaccines. That is an exclusive partnership that we have with Sanofi, and that will be untouched by the new partnership that we today announced with Johnson & Johnson.

As you might see is that the emphasis of the partnership with SP is more on replacing chicken eggs, and the emphasis of the collaboration with J&J with respect to influenza is more to develop novel therapies and prevention ways to combat influenza.

I think one of the most interesting aspects of that newer approach is basically that we feel that there might and is a universal flu antibody that could neutralize different strains and is independent of genetic shifts, and, therefore, this opens a new, I would almost say, paradigm to combat influenza, both from a preventative standpoint as well as from a treatment standpoint.

The second question --

---

**Leon Kruimer** - *Crucell - CFO*

-- the timing of the flu-mAb.

---

**Ronald Brus** - *Crucell - CEO*

Well, on the timing of the flu-mAb, it's very simple. We did a lot of pre-clinical work already. We'd like to do it as quickly as possible but, as usual, we cannot give you timelines of when we'll be in the clinic and when we believe that this product could be approved. Thank you.

---

**Oya Yavuz** - *Crucell - Director of Corporate Communications and IR*

Next question, please.

---

**Operator**

The next question comes from the line of [Aaron Gravelock] from the Netherlands. Please go ahead.

---

**Aaron Gravelock**

Okay, good morning. I think you might have answered some of my questions regarding milestone payments, but just looking more at the amount that might be expected from these milestone payments going forward. And you mentioned previously that you were looking at starting clinical trials on this flu-mAb in 2010. I'm just wondering whether that timeframe is still the same, or whether it's still early 2010.

---

**Ronald Brus** - *Crucell - CEO*

We didn't alter the timeframe, so that means that it's more or less correct.

Sep. 28. 2009 / 7:00AM, CRXL.F.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration

**Aaron Gravelock**

And any indication on the timing of the milestone payments and the value of such?

**Ronald Brus** - *Crucell - CEO*

No, we'd rather not talk about that.

**Aaron Gravelock**

Okay, thank you.

**Operator**

The next question comes from the line of Albertina Torsoli from Bloomberg. Please go ahead.

**Albertina Torsoli** - *Bloomberg - Media*

Hello, can you hear me?

**Ronald Brus** - *Crucell - CEO*

Yes.

**Albertina Torsoli** - *Bloomberg - Media*

The question I had is, is this a first step to being later possibly bought by J&J, or does this change anything on your stance on acquisitions and on talks for being bought by someone. We obviously all have in mind the deal that did not go through with Wyatt.

**Ronald Brus** - *Crucell - CEO*

I think from our point of view, this is the best possible combination for our Company at this moment in time to remain entrepreneurial, to remain very innovative, and on the same hand, to be backed with a great partner like Johnson & Johnson with great development skills and great commercialization skills. In that way, we're trying to combine innovation with very, very robustness on the other side. And we're very happy that we could close this deal and, obviously, we're very excited about it.

**Albertina Torsoli** - *Bloomberg - Media*

So do you want to stay independent in the long term? Or does that mean you want to stay independent in the long term? Or who knows like a year from now?

Sep. 28. 2009 / 7:00AM, CRXL.F.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration

**Ronald Brus** - *Crucell - CEO*

We believe that we at Crucell, the way we have operated and the way we're going to operate in the future, will be able to do, and will be able to create significant shareholder value. With this deal, backed by Johnson & Johnson, we could even accelerate that, so we're very happy with this deal. At this moment in time, we're also very happy that we're independent.

**Albertina Torsoli** - *Bloomberg - Media*

Okay, thank you so much.

**Operator**

The next question comes from the line of Mike Ward from the UK.

**Mike Ward** - *BioCentury - Media*

Hi, it's Mike Ward here from BioCentury; a couple of questions. One, in the announcement, the release, it says that J&J and Crucell will share responsibility. I just wondered if you could give us some sort of breakdown in terms of whether shares are 50/50 in terms of costs, and actually what J&J is actually going to be bringing, the intellectual capital it will be bringing to the table.

**Leon Kruimer** - *Crucell - CFO*

Hi, Mike, this is Leon Kruimer. We will share responsibility for development in the sense that Crucell will be responsible for developing a product up to phase 2A. We will be supported by funding for our research, and certain milestones which have not been disclosed. And then afterwards, we have an option to co-fund the development, and then also share in the commercialization rights.

**Mike Ward** - *BioCentury - Media*

Right, and could I have a follow-up question? In the release, you also mentioned the NIH contract, and I just wondered what strings were attached to that contract, because it looks like money that that NIH is giving you is going to be used as development which you now are linking to this deal with J&J.

**Leon Kruimer** - *Crucell - CFO*

No, there are no strings attached to this contract. And basically, the funding out of this contract will contribute towards the development of the flu monoclonal antibody.

**Mike Ward** - *BioCentury - Media*

Okay, thank you.

**Operator**

The next question comes from the line of Aaron Gravelock from the Netherlands. Please go ahead.

Sep. 28. 2009 / 7:00AM, CRXL.F.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration

---

**Aaron Gravelock**

Yes, one follow-up question. You mentioned that this deal will help accelerate the program towards a universal flu vaccine. There are other companies trying to produce a similar type of product. How quickly can you get this to market now?

---

**Ronald Brus** - *Crucell - CEO*

We think we're well ahead with respect to where we are with this monoclonal antibody against influenza. We think we have a head start here. You might have noted that our intellectual property with respect to these programs stands already from late 2006/early 2007, so we have worked a long time already on this monoclonal antibody, and we feel quite prepared to be the first out there.

I cannot give you timelines though, and we're always hesitant to give timelines on our programs here. But with the backing and the tremendous development skills of J&J, we feel we're in a pretty safe harbor here.

---

**Aaron Gravelock**

Okay, but no timeframe; not five years, seven years?

---

**Ronald Brus** - *Crucell - CEO*

No.

---

**Aaron Gravelock**

Okay, thank you.

---

**Operator**

We currently have no questions. (Operator Instructions).

We have no further questions coming through, so I'll hand back to your hosts to wrap up today's call.

---

**Oya Yavuz** - *Crucell - Director of Corporate Communications and IR*

Okay, thank you all very much. Also on behalf of management, thank you for your interest in Crucell. You know where to find us if you have any further questions. Have a nice day, bye.

---

**Operator**

Thank you for attending today's conference. You may now replace your handsets.

---

Sep. 28. 2009 / 7:00AM, CRXL.F.PK - Crucell Media Call Johnson & Johnson and Crucell Announce Strategic Collaboration

**DISCLAIMER**

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2009, Thomson Reuters. All Rights Reserved.

