

FINAL TRANSCRIPT

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PRESENTATION

Operator

Good afternoon. I am Gorin, the conference call operator for this conference. Welcome to the Addex Pharmaceuticals Conference Call and Live Webcast. Please note that for the duration of the presentation, all participants will be in listen-only mode and the conference is being recorded. After the presentation there will be an opportunity to ask questions.

(Operator Instructions)

At this time, I would like to turn the conference over to Mr. Chris Maggos, Head of Investor Relations and Communications of Addex Pharmaceuticals. Please go ahead, sir.

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Chris Maggos - *Addex Pharmaceuticals - Head of IR and Communications*

Thank you, hello everyone. Today Vincent Mutel will give some introductory remarks, followed by Charlotte Keywood, who will discuss the recent events. Sonia Poli, our Head of Non-Clinical Development, and Tim Dyer, the CFO, are also with us to answer your questions.

Vincent Mutel - *Addex Pharmaceuticals - CEO*

Okay, thanks, Chris. Good afternoon and good morning. So on Monday, we announced the end of the study 206, which was terminated because of the concern we had about the development of the liver function test measurements throughout the study, and in particular, in the last weeks of the study.

We have now un-blinded the study 206, and we have reviewed overnight the patients who have had this feasible liver function test. And on the back of this review, this morning we have decided to end the development of ADX10059 for long-term use, which includes GERD and migraine prophylaxis as you can believe.

So, what we wanted to do in this webcast is to give you some information, additional information about this. There was a press release which was issued just before this teleconference, and which is giving more detail about the reason why we have decided to terminate the development of 59 for the long-term use, and I now ask Charlotte Keywood, our Chief Medical Officer to give you more detailed information about what happened in 206, and the reason for this termination.

Charlotte Keywood - *Addex Pharmaceuticals - Chief Medical Officer*

Okay, thank you very much, Vincent. Just to very brief recap for those of you not quite familiar with the study design, so study 206 was a prophylaxis of migraine study in which patients had a one-month baseline period followed by three-months, or 12-weeks, of dosing with double-blind, placebo-controlled parallel group study, where we had four treatment groups that were placebo, 25mg, 50mg or 100mg twice daily of ADX10059.

In the first two weeks of the study, the study treatment was given once a day, and if that was well-tolerated, then there was twice daily administration during weeks three to 12. And we, once again, we still will look at the number of migraine headache days as the primary outcome in the last four weeks of treatment, compared to the baseline period.

The study started at the end of last year and has just been ended. And the reason for that was when we were looking at the blinded data in the last few weeks, we saw an increasing incidence of liver function test abnormalities, in particular, alanine transaminase or ALT.

And in fact, the level of greater than five times the upper limited normal is considered predictive of possible, potential, for drug-induced liver injury. So were concentrating, particularly, on that. And we found that the incidence in the last couple of weeks had increased to 6% of patients having an ALT of greater than five times the upper limit of normal.

And we considered that that was not commensurate with continuing the study. Late last night, we had a look at the treatment allocation. We un-blinded the study to look at the distribution of the liver function abnormalities among the treatment groups. And we found that there were none in the placebo group, with actually, the LFT abnormality greater than five times the upper limit of normal was found in each of the three treatment groups.

And we saw out of 257, four patients in the 25mg group, two in the 50mg group and 10, obviously, the highest number, in the 100mg dose group. Based upon that, we feel it's not appropriate to continue the drug for long-term treatment.



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It does appear that the liver function abnormalities become more common after day 28 of dosing, really from day 56, so two months of dosing the liver function abnormalities become most evident, so from day 56 through day 84 was where the greatest number of LFT abnormalities was seen, and where the greater than five times the upper limit of normal abnormalities were seen.

So, the impact, what does that mean for the one-month study that we had in GERD? Well, that study is still blinded, and that's due to un-blind around the end of the year and we'll have more information on that at that time. However, of course, we've gone to look at the blinded dataset in the GERD study, the four-week GERD study. And there we see just two patients, so an instance of 0.6% of patients who have an ALT rise of greater than five times the upper limit of normal.

And really, I think in the context that this sort of population in this study, that's not really outside what one might expect to see in this type of study, in any case. So currently, in that study there does not appear to be any particular alert. However, we will be un-blinding and starting analyzing the data and we'll have more information on that in January. So, that's where we are today.

Vincent Mutel - *Addex Pharmaceuticals - CEO*

Right, so I would like to, again, insist on the fact that no liver function abnormalities have been seen in any of the previous clinical trials that we have reported, with even higher doses than the ones which have been tested here in the 206 study. So, it is a very big surprise for us to see this effect with 59.

It is clearly related to, we believe, the duration of administration, and there is no reason for the timing to put follow up to explain this, the effect of this compound. For sure, we have additional metabotropic glutamate receptor 5 modulators, including ADX48621. I would like to remind you that this compound has been developed as a backup of ADX10059. It is a compound that we profiled to develop in Parkinson's disease Levodopa Induced Dyskinesia, and for sure, we are going to concentrate a lot of efforts now on the move of this molecule.

We have another compound in clinical trial which ADX71149, which is a molecule which is partnered with Ortho-McNeil-Janssen, Johnson & Johnson. And then we have two positive allosteric modulators, which are moving forward with our partner Merck & Co. in the U.S., and a series of compounds which are close to entering into clinical phase of development. And we are very confident that these compounds, and also the platform technology that we have developed, still makes the Addex very solid, very strong. And we can foresee, certainly, success coming in the future.

Now, I think we have -- we are going to stop here about the detail and the prospective and certainly open the discussion for questions, which we believe is going, are going to be new ones.

Chris Maggos - *Addex Pharmaceuticals - Head of IR and Communications*

Operator, you can open the call for questions.

QUESTIONS AND ANSWERS

Operator

We will now begin the question-and-answer session. (Operator Instructions). The first question is from Mr. Sam Fazeli from Piper Jaffray. Please go ahead, sir.



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Sam Fazeli - Piper Jaffray - Analyst

Hi, good afternoon, everybody, first, my condolences in the outcome of the trial, of this particular outcome the liver toxicity. As I'm sure you know, we were also quite excited by this drug. Just a couple of questions, if I may, is it possible that once given the comment you made about the GERD 28 day trial, the second trial that has yet to report, that once you look in more detail at the metering trial, that is there any possibility that it's due to a specific interaction, say with a Sumatriptan or Naratriptan or something like that?

Vincent Mutel - Addex Pharmaceuticals - CEO

Well, I think it's a bit early to answer this question, Sam, first, thank you for your kind comment about this. It's very clearly a tough situation for us. But I should say that it's quite early. We are doing all that we can to understand, really, the detail of what happened with this study. I think we will know more when we will have all the analyses done, which is a process which is going on. And we will also be able to know, as well, for the 205 study, what do we have, really, because still we are blinded. So we have to -- I think we need some time. We would be, I think, it would be probably not a good idea for us to suggest that there is drug interaction at this stage. We don't have evidence for that.

Sam Fazeli - Piper Jaffray - Analyst

Okay, just on another matter, do you have indication of the potential efficacy in the migraine prophylaxis yet?

Vincent Mutel - Addex Pharmaceuticals - CEO

Well, what can I -- the same to apply for that, it's going to be very interesting to look at that deeply, and we probably -- I don't know if we will not be showing statistics?

Charlotte Keywood - Addex Pharmaceuticals - Chief Medical Officer

Yes, we are going to -- obviously, we are going to wrap up the study as planned, albeit with fewer patients. So the patients that are in the study currently have terminated the treatment. They're going to come back for their end of treatment visit, have a follow up visit as per protocol. And then we'll be collecting all the data, and we will analyze it according to our statistical analysis plan. It now, obviously, becomes an exploratory study as opposed to a formal efficacy study. However, we will be looking at the efficacy of the compound and to see if we can see any trends or benefits from this mechanism in migraine prophylaxis. We anticipate ending up between 25 and 30 patients per group. So from that, we may be able to get some idea whether there's any trend toward the feasibility of this mechanism in migraine prevention.

Sam Fazeli - Piper Jaffray - Analyst

Okay, thanks, just two last related questions. Can you confirm to us again, which is my understanding at the moment, that 621 is a different molecule, different class, different pharmacophore? And also, can you learn anything from the pharmacophore of 59 that might otherwise indicate or help you in dissecting out potential future outcomes of this?

Vincent Mutel - Addex Pharmaceuticals - CEO

Right. I think it's a fair question. So the two pharmacophore are completely unrelated, so in fact, 48621 is a true backup. It's a molecule which doesn't belong to the same chemical series, as 59. The metabolism of these two molecules is completely different. I don't want to incriminate the metabolism, at this stage, in any of the things we've seen because with 59 we haven't seen reactive metabolites, and everything that we have done in the technical development didn't show any sign of hepatic



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toxicity of this molecule, or all that we have been able to test. So we took -- we are a bit puzzled by that result. But what we are able to say, is that 48621 is not belonging to the same series, doesn't have the same structure, doesn't have the same metabolic profile and is in fact very different, in this regard, from 10059. This is why we are quite confident that the problem is not going to be seen with 48621, but for sure, we have to test it.

Sam Fazeli - Piper Jaffray - Analyst

Okay, thank you.

Operator

The next question is from Mr. Andrew Weiss from Bank Vontobel. Please go ahead.

Andrew Weiss - Bank Vontobel - Analyst

Okay, thank you for taking the question. I have a few of them. Number one, do you think that there is any risk that the liver enzyme elevations have anything to do with the method of action, so the MGLuR5 pathway? Number two, with regard to these liver enzyme elevations, could you give us the numbers of what is the five -- how many patients had a three times elevated above normal level, and what is the count on the Bilirubin levels? Was that one patient only measured concomitantly, while at the same time that you had the ALT levels, or are the other events of Bilirubin increases? And number, three are you going to be conducting long-term safety trials, then, with 621 on the back of this, still this year? Thank you.

Charlotte Keyword - Addex Pharmaceuticals - Chief Medical Officer

I can take your question about the Bilirubin, sorry, there's a whole list of them there, take your question about the Bilirubin. Only one patient had concomitant rise in Bilirubin and comprised as Hy's Law. All the other cases of raise transaminase have not had any concomitant rise in Bilirubin. And in fact, the major enzyme that changes is ALT, with a lesser change in AST. That tends to be the pattern. And then, a few patients with a concomitant GAMIT ET, but the primary difference is in alanine transaminase. But it's very important because it's without a change in Bilirubin, which is so that the liver function in that case is not compromised.

Andrew Weiss - Bank Vontobel - Analyst

Yes, can I just follow up on that? So, were the other events of Bilirubin increases, or --

Charlotte Keyword - Addex Pharmaceuticals - Chief Medical Officer

No, no.

Andrew Weiss - Bank Vontobel - Analyst

So there was only one and that one was in concomitant.

Charlotte Keyword - Addex Pharmaceuticals - Chief Medical Officer

Yes, that's right.

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Andrew Weiss - Bank Vontobel - Analyst

Okay.

Vincent Mutel - Addex Pharmaceuticals - CEO

I can take the MGLuR5 side. We don't believe so. In fact, if there are any reports on the MGLuR5 in the liver, it has been more as a protective effect than anything which is detrimental. There are several possibilities I'll talk to you about, MGLuR5 blockades which is protecting against that acetaminophen or LTS toxicity, hepatic toxicity. So, there is no reason to think, and no scientific causal to think that blocking the MGLuR5 receptor has a relationship with hepatic toxicity. We believe it's more probably related to the pharmacophore, but it's a quite unusual tox because we don't see on short-term administration nor is there a clear relationship with dose, for example. There is no effect of increasing concentration on dose of this product if you don't administer it for long enough. So there is something very unusual, and we are certainly going to look at it. The long-term safety of 48621, for sure, this is going to be an important question, and we might look at that carefully. It can be done throughout the Phase II trial, which is going to be conducted at the end of 2010. But in between, we may do some work, additional work. It's not so clear how we will do that, but we have been discussing this, for sure.

Andrew Weiss - Bank Vontobel - Analyst

Thank you.

Operator

The next question is from Mr. Peter Welford of Jefferies. Please go ahead, sir.

Peter Welford - Jefferies International - Analyst

Hi guys, yes, first of all can I start -- if you look at your type pipeline, are there any other drugs of the same sort of chemical class or the same sort of structure or backbone of 59 in the remainder of your pipeline, so I guess outside of just to follow on 48621? Are there any other drugs of this type that are in the remainder of the pipeline?

Vincent Mutel - Addex Pharmaceuticals - CEO

No, 59 is the only one of its class. 48621 doesn't belong to the same structural pharmacophore. It is completely different. I should say, as well, that we have the backup strategy of 48621, so we have another class of MGLuR5s, negative allosteric modulator of currency in quite late stage development. We are close to clinical candidate selection. And this molecule is also not belonging to the same class as 59 and 48621. So we still have a backup strategy ongoing even with 48621.

Peter Welford - Jefferies International - Analyst

Okay, thanks, and then just on the amenity, what's the timeline from here, can we ask? Clearly, you're going to continue looking at and analyze these data. Should we then anticipate how many of the GERD patients have actually finished in the other study, the 205? Am I right in understanding that most of those patients actually finished the treatment after the trial? So, should we now just anticipate getting data in January from you with the detailed efficacy and safety data?

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Charlotte Keyword - *Addex Pharmaceuticals - Chief Medical Officer*

That's right, Peter, everyone's now finished, so the data are currently being cleaned up, all the final data being entered in the database and then being cleaned up, ready for reporting at the beginning of January.

Peter Welford - *Jefferies International - Analyst*

Quite, okay, and then final question is when you were discussing with partners over the past and have sort of been looking at this, I guess a bit of hard for you to assess this question now, but given the discussions you've had so far, shall we say, philosophically, does this, given the relationship between 59 and 48621, obviously we understand the sort of risk implications of this now for 48621, but given those discussions, is there still -- do you believe, interest in the sort of franchise if we look at those two products together? And is there still a way to move forward with these? Or do you -- or were most of the discussions focused on 59? You see what I'm trying to get at.

Vincent Mutel - *Addex Pharmaceuticals - CEO*

No, no, for sure. We had always been putting 59 and 621 together. But your question is interesting because of another reason. We still have to look at the data and 205 and study 206 as well. I think 59 efficacies, in my view, to look at what can we get out of that and, potentially, position that as well for the development of 621. 621 is a compound which I think makes more sense in Parkinson's disease due to the new results we've got with the animals, in particular, the monkey which show a differentiation of this compound compared to all the other existing MGLuR5s. So we believe here that with ADX48621, there is a very strong rationale, and the effect in this study is making so much sense and is so interesting that we don't see why 621 should be diverted from the development in Parkinson's disease. But for sure, depending on the outcome of 206 and depending on the outcome 205, we might have to consider there an extension of 621 development in my mind. It doesn't make sense in terms of the potential development in certain indications and GERD is a bit more remote. But eventually, we have to see if 206 points towards an efficacy in migraine, we will certainly have an interest in that for 621 as well.

Peter Welford - *Jefferies International - Analyst*

Okay, that's great, thank you.

Chris Maggos - *Addex Pharmaceuticals - Head of IR and Communications*

There's a question from the webcast Instant Messenger from Bob Pooler of Bank Bellevue, and he asks what are the CNS side effect ranks in the migraine trial?

Charlotte Keyword - *Addex Pharmaceuticals - Chief Medical Officer*

Well, although, we haven't looked at those because we haven't done the formal data analysis yet. So all I did was get the blinded treatment allocations to look at the liver function tests. Those data will come out once we do the formal analysis in January.

Chris Maggos - *Addex Pharmaceuticals - Head of IR and Communications*

Next question, Operator?



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Operator

The next question is from Mr. Robin Davidson from Edison Investment Research. Please go ahead, sir.

Robin Davidson - *Edison Investment Research - Analyst*

All right, hello. I'm trying to get to, and I appreciate this is early, the strategic implications for Addex in terms of its possible -- it's development of 48621 and other products that may be brought into the collect next year, obviously 71943. You've indicated in the press release that you have cash until the end of 2011, and obviously, there are milestones payable from, I'm presuming, from Merck and Johnson & Johnson on the programs. Is there an argument for delaying development of any of these compounds, especially just to make sure that you have a better chance of reaching the point at which milestones are reached?

Vincent Mutel - *Addex Pharmaceuticals - CEO*

Well, in language what we always said about the partnership and the outlicensing, we have been actively looking for partners for these compounds. And I don't think we will change our view. It is quite interesting for us, for example, to anticipate 621 co-development. We have the feeling that 621 is an excellent molecule to support further growth of the Company, and particularly, access to marketing. And on the back of the co-development, co-marketing of 621, we could build up a significant position for the Company for the long-term future. So, in fact, if anything we should speed up 621 and make sure that we are in a position to be able to support the co-development and co-marketing with this drug. But it's very clear that we want to have a partner for that because, there are many reasons for this, in particular, to make sure that we can be successfully growing fast enough to the market with an expert company, having large experience in Parkinson's disease. It's also clear that such mechanism of action because it's so well-differentiated. And the dystonia effect is one of the elements which is driving our decision is pointing towards a very efficient development and go fast. It's a unique mechanism of action, and it's a first-in-class type of compound. So we are very confident that 621 could be a great opportunity to move forward as fast as possible.

Robin Davidson - *Edison Investment Research - Analyst*

Right, okay. Can I ask -- I don't presume there would be, but are there are any cost savings or cost avoidance you can, you feel like, capture from avoidance of expenditures that you might otherwise have had in relation to 10059?

Tim Dyer - *Addex Pharmaceuticals - CFO*

Yes, maybe I should take that one. There is a small amount, but it's not significant at this stage.

Robin Davidson - *Edison Investment Research - Analyst*

Right, okay, fair enough. Thank you.

Operator

The next question is from Mr. Olav Zilian from Helvea. Please go ahead, sir.

Olav Zilian - *Helvea - Analyst*

Hi, thanks for taking my question. So it would be, actually, a follow up question on the 621 compound. Are there specific reasons that would through prevent development of this compound in GERD, or other indications than Parkinson's disease?

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Vincent Mutel - *Addex Pharmaceuticals - CEO*

Yes, I think we have changed our view on the development of 48621 due to the unique effect of this molecule on dystonia. I would like to refer you back to the press release we did regarding this. It is very clear that such an effect has not been obtained with other MGLUR5 negative allosteric modulators so far, including molecules from competitors, so we are here having a unique case where there is a big differentiation of this product, potentially, compared to the existing molecules. It's new mechanism of action, but also has a potential here to be used for dystonia in PD-LID, but also potentially for other types of dystonia. This, I think, has influenced very much the way we see the development of 621 compared to what we did before. It was not possible to know that before we did the experiments with the monkey, but now that we have these PD-LID results, we cannot ignore them. And it makes also a very attractive position because, as you can believe, this unique property of this drug is looking for -- is asking -- for pricing differentiation, which then would position the molecule in terms of market much better than entering in GERD. And then we can extend the franchise, and 621 is a compound which can go for Parkinson's disease, from PD-LID, in particular, and the treatment for dystonia to more extended use. But I think it makes perfect sense now to enter it from the PD angle.

Olav Zilian - *Helvea - Analyst*

Oh, on the side of clinically, so it's really the rationale on the level of business development than on the pharmacological side?

Vincent Mutel - *Addex Pharmaceuticals - CEO*

Absolutely, absolutely.

Olav Zilian - *Helvea - Analyst*

Thank you.

Operator

The next question is from Mr. Yasir Al-Wakeel from Credit Suisse.

Yasir Al-Wakeel - *Credit Suisse - Analyst*

Hello, hi, thank you for taking my question. I was just wondering with regards to the acute GERD indication how you wish to proceed with that and how big that market you believe is?

Charlotte Keywood - *Addex Pharmaceuticals - Chief Medical Officer*

Okay, yes, we'll be looking at that and I've certainly had conversations with our key opinion leaders about the on-demand use of GERD. And there is actually quite a big unmet medical need for on-demand therapy that's not fulfilled by the PPIs, and that was a subject that we discussed in one of our advisory board meetings. When we get the data from the 205 study, we will be meeting with them again to discuss that and look at that possibility in further detail.

Yasir Al-Wakeel - *Credit Suisse - Analyst*

Would you expect to have to do further trials, particularly with the safety concerns that we've now seen?



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Charlotte Keyword - *Addex Pharmaceuticals - Chief Medical Officer*

Well, you've got to view -- certainly have to prove that it actually works as on-demand therapy as well. But what was quite interesting, in fact, in one our earlier studies in Phase to a proof of concept, we did actually see effects in reflux after a single does, and also again in 104. So, there does seem to be a good scientific rationale behind why that might work as an on-demand therapy. However, of course, you've got to do the clinical trials to show that it does actually work in that use.

Yasir Al-Wakeel - *Credit Suisse - Analyst*

Okay, thanks very much.

Operator

(Operator Instructions). The next question is a follow up question from Mr. Sam Fazeli from Piper Jaffray. Please go ahead, sir.

Sam Fazeli - *Piper Jaffray - Analyst*

Hi, yes, thank you for taking my question. Just thinking about 621 again, in terms of one of the questions that clearly we were -- or issue that we're battling with was how you dissect the market in terms of pricing of the drug if -- and it was easy before 59 was potentially in development for GERD indication and maybe migraine where the pricing structure would be, I suppose quite different to if you were developing 621, then, for Parkinson's and Fragile X or Huntington's, et cetera. How -- if you now are going to potentially put them, bunch them together, how do you see that playing out?

Vincent Mutel - *Addex Pharmaceuticals - CEO*

Well, it is driven mostly, Sam, by the discussion we have. It is not so much about the opportunity. There are people who cannot accept GERD indications if you consider the Parkinson's disease implication, it's safe which are now going well together. On the other hand, for CNS use it's more flexible. And you're right to say that it's only one part of it. We are talking about migraines, but we have also consideration about dystonia, but also, as you said rightly, Huntington's disease and so on. Our competitors are developing their compound for Huntington's disease, potentially for Autism and potentially for Fragile X. So they see a number of, let's say, opportunities that we have to understand well with the potential partner, and move the product accordingly. For sure, the key driver is the pricing for the first indication. And this is what we have seen now with the PD-LID as a very positive and a very important potential for the drug.

Sam Fazeli - *Piper Jaffray - Analyst*

Okay, and in terms of, back to the liver toxicity issue with 59, my understanding is that there is some talk -- I'll admit, Charlotte, I'm sure, knows a lot more about this than I do, that Merck CGRP compound --

Vincent Mutel - *Addex Pharmaceuticals - CEO*

Yes.

Charlotte Keyword - *Addex Pharmaceuticals - Chief Medical Officer*

Yes.



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Sam Fazeli - Piper Jaffray - Analyst

-- targeting compound might be developed for an abortive therapy in migraine, CGL migraine. Do you think -- is there any merit in that thinking, and if there is, is there any merit in thinking about your product as abortive therapy?

Charlotte Keyword - Addex Pharmaceuticals - Chief Medical Officer

Yes, I think there's merit. I think there is merit in thinking about it. Again, that's something that we do, that we are thinking about. Of course, we did demonstrate in an early Phase IIa study, efficacy as, in a single attack of migraine as well, so though, to answer your question, yes, there is merit in thinking about it, and we will be weighing that up.

Sam Fazeli - Piper Jaffray - Analyst

Okay, so you will only know whether you're going to be able to do that once you've seen the efficacy data or trends from this trial.

Charlotte Keyword - Addex Pharmaceuticals - Chief Medical Officer

Yes, that's right.

Sam Fazeli - Piper Jaffray - Analyst

And lastly, do you think it is -- I've never come across this, but do you think there is some room for doing some kind of liver tox study given the incidence as rare that you saw in this trial, at least to dissect out the possibility of this level of incidence? Clearly, it doesn't change facts that may be later on in a larger trial, that day 75 you start seeing something within a new compound. Is there any trial structure that can be used to avoid this early risk?

Charlotte Keyword - Addex Pharmaceuticals - Chief Medical Officer

Are you talking about a clinical trial?

Sam Fazeli - Piper Jaffray - Analyst

Yes, without having to go to Phase II. Clearly, preclinical tests, two species, whatever number, I think a lot of people talk about this. It doesn't always get you out of the woods on this one.

Charlotte Keyword - Addex Pharmaceuticals - Chief Medical Officer

No, we did a very thorough program of preclinical testing both into in vitro and in vivo, and obviously, up to three months. And it was not at all predictive of what we've seen in man. So, going forward, to look at clinical toxicity, once again, we'll examine how best to do that to arrive at that, but I think you just have to give it the duration and keep an eye on close monitoring. But we are going to consider there's other forms of testing one could do that could, perhaps, try and pick this up. But it's not easily predictable. It's come as a big surprise to us because, say, in all our very thorough testing, and up to two weeks administration in patients in 204, which didn't show anything at all, this has just come out. It's a surprise, so it's quite complicated, I think.

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Sam Fazeli - Piper Jaffray - Analyst

Okay, thanks.

Operator

The next question is from Mr. Roger Trueb from AWP. Please go ahead, sir.

Roger Trueb - AWB - Analyst

Hello, gentlemen, thanks for taking my question. It's basically two questions, the first just to make sure -- is there still a slight chance that you will, again, take out 59 after having full dates available?

Vincent Mutel - Addex Pharmaceuticals - CEO

You mean in clinical in long-term use?

Roger Trueb - AWB - Analyst

Yes.

Vincent Mutel - Addex Pharmaceuticals - CEO

This -- the decision to end the development of this drug is purely motivated by the sign of this liver function effect at the lowest dose in the 206 study, so to be completely reasonable and also having a perspective of doing a partnership, we are seriously concerned by that. This is something that it would be foolish to say the drug would have a future at the low dose. There is a regulatory aspect of it that we have to consider. It's not going to be so simple. It means a lot of work. We cannot exclude things and we will see very clearly -- we are looking for a lot of interests for the 205 outcome, and for sure, the 206 outcome, won't guide us to want something else, and certainly to help the development of 621. But to consider long-term use of this drug with this context, that's a big challenge. I cannot say it's impossible, but it's a very big challenge.

Roger Trueb - AWB - Analyst

Well, thank you, and my second question is it puts you kind of behind your original schedule? You already stated that you have cash for operations until the end of 2011. Does -- is this enough to develop for the backup drug 48621, and your other planned projects as to complete Phase II studies and to still leave ample time for discussions with possible partners?

Vincent Mutel - Addex Pharmaceuticals - CEO

One comment I would like to say about 621, as I said before, we are looking for co-development, co-marketing. So very surely, we are going to look for a partner. And that's, once again, then Tim can take the financial one.

Tim Dyer - Addex Pharmaceuticals - CFO

Yes, maybe I can just explain the guidance of two years cash through to the end of 2011 includes the development of 48621, and it includes the cash required to drive the whole discovery and preclinical engine. And it also includes the development of



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one of 71943 and 68692 through to the end of Phase I. And it doesn't include income from partnering, which is not yet signed up, or is at risk, should I say.

Roger Trueb - AWB - Analyst

Thank you.

Operator

The next question is a follow up question from Mr. Andrew Weiss from Bank Vontobel. Please go ahead, sir.

Andrew Weiss - Bank Vontobel - Analyst

Yes, Tim, just to follow up on that question, what is your thinking with regards to, on trying to find a collaboration partner for the 48621. How much time are you giving yourself until you have to say, okay, you've stepped over the line and you're going to have to start to reduce your cost base in order to conserve cash? Are you giving yourself 12 months time or six months time, or where do you think that there's a point of no return where you're going to have to start to reduce your cost base?

Tim Dyer - Addex Pharmaceuticals - CFO

Well, clearly, if we get to the end of 2010, we start getting a risk of having a going concern opinion on the financial statements the end of 2010. And that's when we have to take measures to restructure in quarter one, 2010, I'm sorry, 2011.

Andrew Weiss - Bank Vontobel - Analyst

Okay, thank you.

Operator

(Operator Instructions). Ladies and gentlemen, there are no more questions at this time.

Vincent Mutel - Addex Pharmaceuticals - CEO

Okay, thanks very much for all these questions and very much for your participation to the call. We will, as you understand, work hard now on the -- all these results and data and come as soon as possible with more information about the outcome of these two studies, and for sure, make sure that everybody is online with the further development. And as I said before, we still have a number of things in development. It was not a one compound story, and we have still a large potential, including the value of the allosteric modulator platform, which we believe is going to generate as well, and has generated, already, a lot of it to the pharma. So thanks for your attention, and have a good end of day or beginning of day.

Operator

Ladies and gentlemen, the conference is now over.

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