



Jazz Pharmaceuticals, Inc. Announces First Quarter 2009 Financial Results

May 07, 2009

-- 1Q09 Xyrem(R) net sales of \$18 million are 56% higher than 1Q08 -- 1Q09 operating expenses of \$29 million are 50% lower than 1Q08

PALO ALTO, Calif., May 7, 2009 /PRNewswire-FirstCall via COMTEX/ -- Jazz Pharmaceuticals, Inc. (Nasdaq: JAZZ) today announced financial results for the quarter ended March 31, 2009. Total revenues for the first quarter of 2009 were \$22.1 million, compared to \$14.6 million for the first quarter of 2008. Xyrem(R) (sodium oxybate) oral solution net sales for the first quarter of 2009 were \$17.7 million, an increase of 56% over net sales of \$11.3 million for the first quarter of 2008. This increase reflects the effect of significant price increases over the past twelve months and sales volume growth. Net sales of once-daily Luvox CR(R) (fluvoxamine maleate) Extended Release Capsules were \$3.6 million for the first quarter of 2009.

Jazz Pharmaceuticals' cash and cash equivalents as of March 31, 2009 were \$17.0 million. On March 31, 2009, Jazz Pharmaceuticals did not pay \$5.1 million in interest due to the holders of the \$119.5 million principal amount of its senior secured notes due June 2011, and Jazz Pharmaceuticals remains in default on the notes. The total overdue interest due on the notes through March 31, 2009 is \$9.6 million.

"Our focus for the remainder of 2009 will be on increasing sales of our commercial products for their approved indications and submitting the NDA (New Drug Application) for JZP-6, our sodium oxybate product currently in Phase III clinical trials for the treatment of fibromyalgia," said Bruce Cozadd, Chairman and Chief Executive Officer. "We are pleased to report that we have completed the second pivotal trial for JZP-6 and expect to announce the results in mid-2009. We remain on track to submit our NDA for JZP-6 by the end of the year," he continued.

Research and development expenses for the first quarter of 2009 were \$11.4 million, compared to \$21.2 million for the first quarter of 2008. Reduced expenses in the first quarter of 2009 reflect Jazz Pharmaceuticals' decision that its JZP-4, JZP7, and JZP-8 programs will continue to the next phase of development only upon partnering or other funding for the programs.

Selling, general and administrative expenses for the first quarter of 2009 were \$14.2 million, compared to \$32.8 million for the first quarter of 2008. The decrease in the first quarter of 2009 reflects a decrease in spending on Luvox CR and the 2008 reductions in force.

Jazz Pharmaceuticals' net loss for the first quarter of 2009 was \$13.0 million, compared to a net loss of \$46.7 million for the first quarter of 2008.

About Jazz Pharmaceuticals, Inc.

Jazz Pharmaceuticals is a specialty pharmaceutical company focused on identifying, developing and commercializing innovative products to meet unmet medical needs in neurology and psychiatry. For further information see www.JazzPharmaceuticals.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements, including, but not limited to, statements related to future product sales, the results of the second pivotal trial for JZP-6 and the timing thereof, the planned submission of an NDA and the timing thereof, and potential partnering arrangements for certain of the company's programs. These forward-looking statements are based on the company's current expectations and inherently involve significant risks and uncertainties. Jazz Pharmaceuticals' actual results and the timing of events could differ materially from those anticipated in such forward looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to the company's default on its senior secured notes, the right of the note holders to accelerate the obligations at any time, the company's potential need to seek protection under the provisions of the U.S. Bankruptcy Code in the event of an acceleration of the senior secured notes or otherwise and the resulting risk to the stockholders' receipt of any value for their shares; the company's need to raise additional funds; product sales and revenues; and the results of clinical trials. These and other risk factors are discussed under "Risk Factors" in the Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 filed by Jazz Pharmaceuticals with the Securities and Exchange Commission on May 7, 2009. Jazz Pharmaceuticals undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations.

JAZZ PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2009	2008
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Revenues:		
Product sales, net	\$21,319	\$13,984
Royalties, net	472	365
Contract revenues	285	285
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Total revenues	22,076	14,634

Operating expenses:		
Cost of product sales	1,943	2,298
Research and development	11,408	21,243
Selling, general and administrative	14,216	32,780
Amortization of intangible assets	1,732	2,121
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Total operating expenses	29,299	58,442
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Loss from operations	(7,223)	(43,808)
Interest income	21	897
Interest expense	(5,794)	(3,787)
Other income (expense)	8	(12)
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Net loss	\$(12,988)	\$(46,710)
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Net loss per share, basic and diluted	\$ (0.45)	\$ (1.97)
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Weighted-average common shares used in computing net loss per share, basic and diluted	28,925	23,743
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JAZZ PHARMACEUTICALS, INC.
SUMMARY OF PRODUCT SALES, NET
(In thousands)
(Unaudited)

	Three Months Ended March 31,	

	2009	2008
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Xyrem	\$17,719	\$11,341
Luvox CR	3,600	-
Antizol and Antizol-Vet (1)	-	2,643
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Total	\$21,319	\$13,984
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(1) The Company sold its rights to and interests in Antizol and Antizol-Vet in August 2008.

JAZZ PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	March 31,	December 31,
	2009	2008
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ASSETS		
Current assets:		
Cash and cash equivalents	\$17,015	\$24,903
Restricted cash	775	1,913
Marketable securities	-	1,004
Accounts receivable, net of allowances of \$296 and \$176 at March 31, 2009 and December 31, 2008, respectively	7,012	6,643

Inventories	4,430	4,788
Prepaid expenses	2,206	2,366
Other current assets	2,106	2,382
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Total current assets	33,544	43,999
Property and equipment, net	2,140	2,514
Intangible assets, net	35,794	32,526
Goodwill	38,213	38,213
Other long-term assets	246	246
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Total assets	\$109,937	\$117,498
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LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	\$4,554	\$5,736
Accrued liabilities	21,401	19,024
Line of credit	-	3,875
Senior secured notes	123,970	118,534
Purchased product rights liability	6,000	14,000
Deferred revenue	12,605	12,322
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Total current liabilities	168,530	173,491
Purchased product rights liability, noncurrent	12,000	-
Deferred revenue, noncurrent	11,045	11,330
Liability under government settlement	10,658	13,063
Common stock subject to repurchase	-	12,492
Stockholders' deficit	(92,296)	(92,878)
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Total liabilities and stockholders' deficit	\$109,937	\$117,498
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SOURCE Jazz Pharmaceuticals, Inc.

<http://www.jazzpharmaceuticals.com>