



Therapeutic pipeline

Information-rich Clinical Trials

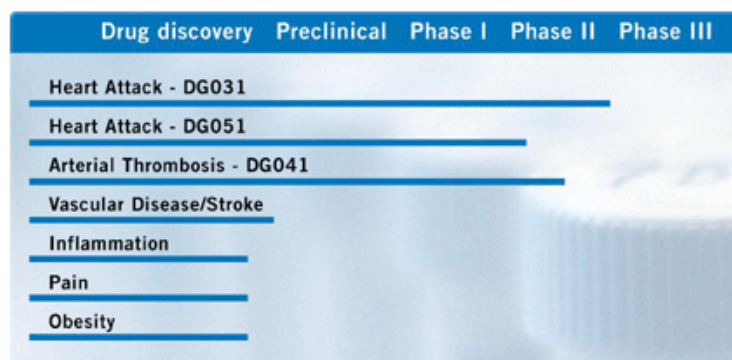
Diagnostics

Alliances

Therapeutic pipeline

The principal focus of deCODE's business is to develop and commercialize new drugs to treat and prevent common diseases. We base our drug development on targets coming out of our unique population approach to human genetics, targets that are firmly rooted in the basic biology of disease. We currently have seven lead programs in drug discovery and development for major indications, including three in clinical development.

Lead Therapeutic Programs



The results of recent Phase II clinical testing on DG-041, our developmental anti-platelet compound for the prevention of arterial thrombosis, provide a compelling demonstration of DG041's potential as a next-generation oral anti-platelet therapy - an effective means of preventing arterial thrombosis specifically at the sites of plaque lesions in the vasculature. We have two compounds in clinical development targeting the leukotriene pathway for the prevention of heart attack: DG051, which we are preparing to bring into Phase II clinical testing, and DG031, which we are reformulating for reentry into Phase III trials.

DG031 and DG051 for the prevention of heart attack (myocardial infarction)

Heart attack (also called myocardial infarction, or MI) is the leading killer in the industrialized world. Nearly half of men and one-third of women who reach the age of forty will suffer a heart attack in their lifetime. Currently, there are effective drugs for treating some of the contributing risk factors for heart attack, such as high-cholesterol, diabetes and hypertension. However, there are no existing drugs aimed at preventing the pathogenesis of the disease itself.

We are working to meet this need by bringing our gene discoveries to bear on the development of new drugs. The gene variants we have linked to heart attack have pointed us to a major biological mechanism increasing risk of the disease: the upregulation of the leukotriene pathway leading to increased production of the inflammatory mediator leukotriene B4. Our developmental compounds are aimed at reducing the incidence of heart attack by inhibiting the proteins made by these gene variants, and have been shown in clinical trials to reduce the production of leukotriene B4 in a dose-dependent manner. DG051, a first-in-class compound developed by deCODE's chemistry unit going into Phase II clinical trials in 2H07, and DG031, which is currently being reformulated for reentry into Phase III clinical testing.

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deCODE genetics, Inc. (Public, NASDAQ:DCGN) - [Add to Portfolio](#) - [Discuss DCGN](#)

1.59 Open: 1.53 Mkt Cap: 98.27M P/E: - Dividend: -
 High: 1.62 52Wk High: 4.50 F P/E: -2.30 Yield: -
 0.00 (0.01%) Low: 1.47 52Wk Low: 1.12 Beta: 2.31 Shares: 61.80M
 May 2 - Close Vol: 343,525.00 Avg Vol: 262,000.00 EPS: -1.57 Inst. Own: 40%

[Compare](#) [Settings](#) [Historical Prices](#) [Link to chart](#)



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[Decode Genetics 4Q loss widens](#)

Forbes - Mar 12, 2008 - [Related articles](#) »

[deCODE Genetics Announces Full-year 2007 Financial Results](#)

MSN Money - Mar 12, 2008 [DeCODE Genetics Q4 Loss Widens - Quick Facts](#)

Trading Markets (press release)

[DeCode Genetics' Q4 Revenues, Loss Rise](#)

GenomeWeb News (subscription)

[deCODE genetics, Inc. Discovers Fourth Major Set of Common Genetic Variants Linked To Risk of Estrogen Receptor-Positive Breast Cancer Markers](#)

Reuters Key Development - Apr 27, 2008

[deCODE genetics, Inc. Announces Positive Results](#)

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Related Companies

| Name | Exchange | Symbol | Last Trade | Change | Mkt Cap |
|--|----------|-----------------------|------------|----------------|---------|
| Roche Holding Ltd. (ADR) | OTC | RHHBY | 82.70 | 0.00 (0.00%) | 142.67B |
| Merck & Co., Inc. | NYSE | MRK | 39.37 | +0.42 (1.08%) | 85.99B |
| Ore Pharmaceuticals Inc. | NASDAQ | ORXE | 0.37 | +0.03 (8.82%) | 10.18M |
| Maxygen, Inc. | NASDAQ | MAXY | 6.03 | -0.12 (-1.95%) | 223.39M |
| Pharmacopeia, Inc. | NASDAQ | PCOP | 3.44 | -0.08 (-2.27%) | 102.01M |
| Clinical Data, Inc. | NASDAQ | CLDA | 16.10 | +0.43 (2.74%) | 340.49M |
| Compugen Ltd. (USA) | NASDAQ | CGEN | 2.20 | 0.00 (0.00%) | 62.31M |
| Crucell N.V. (ADR) | NASDAQ | CRXL | 18.72 | +0.02 (0.11%) | 1.22B |
| Array BioPharma Inc. | NASDAQ | ARRY | 6.27 | -0.27 (-4.13%) | 297.10M |
| Senesco Technologies, Inc. | AMEX | SNT | 1.26 | -0.09 (-6.67%) | 22.15M |

Sector: [Healthcare](#) > Industry: [Biotechnology & Drugs](#)

Discussions

[Re: up on low volume, very strange](#)
 madm..@gmail.com - Jan 8, 2008 (2 posts)
 market makers adjusting price on very important scientific news ...

<http://msn.fool.com/investing/small-cap/2007/06/02/why-we-love-wild-penny-stocks.aspx?logvisit=y&source=eedmsnlnk0010001>
 invest..@gmail.com - Aug 8, 2007 (1 post)

[Patience An Asset In Stem Cell Work - Investor's Business Daily](#)

my_ste..@yahoo.com - Oct 2, 2006 (1 post)
 Investor's Business Daily Patience An Asset In Stem Cell Work ...

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Blog Posts

[We rank deCODE genetics Inc. \(unchanged, DCGN\) 1 out of 10 on ...](#)

info@askStockGuru.com (Ask Stock Guru) - May 3, 2008 - askStockGuru.com Analysis - Services Compared to other stocks in the market, the performance of deCODE genetics Inc. (unchanged, DCGN) has been below average. DCGN has underperformed 90% of all the stocks we track.

Financials (In millions of USD)

| | Quarterly (Dec '07) | Annual (2007) | Annual (2006) |
|----------------------------------|------------------------|------------------|------------------|
| Income Statement | | | |
| Total Revenue | 13.34 | 40.40 | 40.51 |
| Gross Profit | -1.62 | -6.62 | -2.15 |
| Operating Income | -21.92 | -87.58 | -84.46 |
| Net Income | -32.42 | -95.53 | -85.47 |
| Balance Sheet | | | |
| Total Current Assets | 82.65 | 82.65 | 169.71 |
| Total Assets | 156.21 | 156.21 | 215.61 |
| Total Current Liabilities | 34.26 | 34.26 | 23.50 |
| Total Liabilities | 301.86 | 301.86 | 270.99 |
| Total Equity | -145.65 | -145.65 | -55.38 |
| Cash Flow | | | |
| Net Income/Starting Line | -32.42 | -95.53 | -85.47 |
| Cash from Operating Activities | -14.28 | -63.89 | -85.17 |
| Cash from Investing Activities | 23.51 | 78.53 | -44.42 |
| Cash from Financing Activities | -0.90 | 17.65 | 85.53 |
| Net Change in Cash | 8.33 | 32.29 | -44.06 |

Key Stats & Ratios

| | Quarterly (Dec '07) | Annual (2007) | Annual (TTM) |
|--------------------------|------------------------|------------------|-----------------|
| Net Profit Margin | -243.01% | -236.43% | -236.43% |
| Operating Margin | -164.29% | -216.76% | -216.76% |
| EBITD Margin | - | -203.10% | -202.72% |
| Return on Average Assets | -75.98% | -51.38% | -51.38% |
| Return on Average Equity | - | - | - |
| Employees | 431 | - | - |

[More ratios from Reuters »](#)

More Resources

[Analyst Estimates](#) - MarketWatch
[SEC Filings](#) - EDGAR Online
[Major Holders](#) - MSN Money
[Options](#) - Morningstar
[Research Reports](#) - Yahoo Finance

Events

| | |
|--------------|---|
| May 2, 2008 | Q1 2008 Earnings Conference Call |
| May 1, 2008 | Q1 2008 Earnings Release |
| Mar 27, 2008 | BioCentury Publications Inc./Thomson Financial: Future Leaders in the Biotech Industry Conference Webcast |
| Mar 19, 2008 | Webcast Presentation at Lehman Brothers Eleventh Annual Global Healthcare Conference Presentation |
| Mar 13, 2008 | Q4 2007 Earnings Conference Call Webcast |
| Mar 12, 2008 | Q4 2007 Earnings Release |
| Feb 11, 2008 | BIO CEO & Investor Conference Webcast |

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Summary

deCODE genetics, Inc. (deCODE) is a biopharmaceutical company applying its discoveries in human genetics to develop drugs and diagnostics for common diseases. The Company's population approach and resources enable the Company to isolate genes and drug targets directly involved in the development of the diseases posing challenges to public health. deCODE is turning these discoveries into a growing pipeline of diagnostic tests and therapeutics taking aim at the causes of disease, not just the signs and symptoms. deCODE also offers its consumer genetic analysis service deCODEme. deCODEme enables individual subscribers to have their genome analyzed with approximately one million single-letter markers (SNPs), and to view, on their own secure personal Web interface, whether they carry genetic variants linked by the Company and others to risk of a growing list of common diseases, and to see what their genome can tell them about their ancestry and a number of other non-medical traits. [More from Reuters »](#)

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Company website:
<http://www.decode.com/>
[News Releases](#),
[Investor Relations](#),
[Financial Information](#),
[Corporate History/Profile](#),
[Executives](#), [Products/Services](#),
[Employment Opportunities](#)

Officers and directors

| | |
|--------------------------|---|
| Kari Stefansson M.D. > | Chairman of the Board, President, Chief Executive Officer |
| Lance Thibault > | Chief Financial Officer, Treasurer |
| Axel Nielsen > | Chief Operating Officer |
| Mark Gurney Ph.D. > | Senior Vice President - Drug Discovery and Development |
| Daniel J. Hartman M.D. > | Senior Vice President - Product Development |

Option Quote

deCODE genetics Inc DCGN.O (NASDAQ)

Sector: Healthcare Industry: Biotechnology & Drugs [View DCGN.O on other exchanges](#)

As of 3:00 PM EST Price Change Percent Change

\$1.59 USD **▲0.00** **▲0.01%**

Independent Research Broker Research

QDBFA - JUN 5 CALL

| Last | Last Trade Date | Change | High | Low | Volume |
|-------------|-----------------|-------------|------|-----------------------|--------|
| 0.05 | 04/08 | 0.00 | 0.00 | 0.00 | 0 |
| Open | | 0.00 | | Days Until Expiration | 49 |
| Prev. Close | | 0.05 | | Strike Price | 5.00 |
| Day's Range | | 0.00 - 0.00 | | Open Interest | 150 |

Jun 2008 | Sep 2008 | Jan 2009 | Jan 2010

| Calls | | | | | Puts | | | | | | | |
|--|--------|------------|------|---------------|------|--------------|--------------|------------|--------------|---------------|-----|---|
| | Symbol | Last Trade | Chg | Open Interest | Vol | Strike Price | Symbol | Last Trade | Chg | Open Interest | Vol | |
| Options Expiring Sat, Jun 21, 2008. Bolded options are in-the-money. | | | | | | | | | | | | |
| QDBFZ | 1.00 | 11/07 | 0.00 | 2 | 0 | 2.5 | QDBRZ | 1.20 | 04/08 | 0.00 | 17 | 0 |
| QDBFA | 0.05 | 04/08 | 0.00 | 150 | 0 | 5.0 | QDBRA | 0.00 | 12/99 | 0.00 | 0 | 0 |
| QDBFU | 0.00 | 12/99 | 0.00 | 0 | 0 | 7.5 | QDBRU | 0.00 | 12/99 | 0.00 | 0 | 0 |

Annual Income Statement

View: Income Statement

| In Thousands of U.S. Dollars (except for per share items) | 2007 12/31/07 | 2006 12/31/06 | 2005 12/31/05 | 2004 12/31/04 | 2003 12/31/03 |
|--|------------------|------------------|------------------|------------------|------------------|
| Total Revenue | 40,403 | 40,510 | 43,955 | 42,127 | 46,811 |
| Cost of Revenue, Total | 47,018 | 42,880 | 37,283 | 43,407 | 45,870 |
| Sell/General/Admin. Expenses, Total | 27,139 | 25,208 | 20,118 | 20,187 | 17,178 |
| Research & Development | 53,825 | 57,108 | 43,748 | 24,942 | 17,596 |
| Unusual Expense (Income) | -- | -- | 0 | 0 | 951 |
| Total Operating Expense | 127,982 | 124,974 | 101,129 | 88,536 | 81,595 |
| Operating Income | (87,579) | (84,464) | (57,174) | (46,409) | (34,784) |
| Interest Expense, Net Non-Operating | (15,841) | (7,808) | (7,484) | (8,983) | (3,478) |
| Inter/Invest Inc, Non-Oper | 6,541 | 6,885 | 6,397 | 2,903 | 1,151 |
| Interest Income (Exp), Net Non-Operating | (9,100) | (1,123) | (1,087) | (8,080) | (2,327) |
| Other, Net | 1,153 | 114 | (4,489) | (4,788) | 1,988 |
| Net Income Before Taxes | (95,526) | (85,473) | (62,750) | (57,255) | (35,123) |
| Provision for Income Taxes | 0 | 0 | 0 | 0 | 0 |
| Net Income After Taxes | (95,526) | (85,473) | (62,750) | (57,255) | (35,123) |
| Net Income Before Extra. Items | (95,526) | (85,473) | (62,750) | (57,255) | (35,123) |
| Total Extraordinary Items | -- | -- | -- | 0 | 0 |
| Net Income | (95,526) | (85,473) | (62,750) | (57,255) | (35,123) |
| Income Available to Common Excl. Extra. Items | (95,526) | (85,473) | (62,750) | (57,255) | (35,123) |
| Income Available to Common Incl. Extra. Items | (95,526) | (85,473) | (62,750) | (57,255) | (35,123) |
| Basic/Primary Weighted Average Shares | 61,018 | 57,465 | 53,824 | 53,423 | 51,508 |
| Basic/Primary EPS Excl. Extra. Items | (1.566) | (1.487) | (1.166) | (1.072) | (0.682) |
| Basic/Primary EPS Incl. Extra. Items | (1.566) | (1.487) | (1.166) | (1.072) | (0.682) |
| Dilution Adjustment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Diluted Weighted Average Shares | 61,018 | 57,465 | 53,824 | 53,423 | 51,508 |
| Diluted EPS Excl. Extra. Items | (1.566) | (1.487) | (1.166) | (1.072) | (0.682) |
| Diluted EPS Incl. Extra. Items | (1.566) | (1.487) | (1.166) | (1.072) | (0.682) |
| DPS - Common Stock Primary Issue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gross Dividend - Common Stock | 0 | 0 | 0 | 0 | 0 |
| Stock Based Compensation | -- | -- | 4,908 | 4,968 | 4,524 |
| Pro Forma Net Income | -- | -- | (87,656) | (82,223) | (39,647) |
| Pro Forma Basic EPS | -- | -- | (1.260) | (1.160) | (0.770) |
| Pro Forma Diluted EPS | -- | -- | (1.260) | (1.160) | (0.770) |
| Interest Expense, Supplemental | 15,841 | 7,808 | 7,484 | 8,983 | 3,478 |
| Depreciation, Supplemental | 4,954 | 6,049 | 7,003 | 13,088 | 12,442 |
| Total Special Items | -- | -- | 0 | 0 | 951 |
| Normalized Income Before Tax | (95,526) | (85,473) | (62,750) | (57,255) | (34,172) |
| Effect of Special Items on Income Taxes | -- | -- | 0 | 0 | 0 |
| Inc Tax Ex Impact of Sp Items | 0 | 0 | 0 | 0 | 0 |
| Normalized Income After Tax | (95,526) | (85,473) | (62,750) | (57,255) | (34,172) |
| Normalized Inc Avail to Common | (95,526) | (85,473) | (62,750) | (57,255) | (34,172) |
| Basic Normalized EPS | (1.566) | (1.487) | (1.166) | (1.072) | (0.683) |
| Diluted Normalized EPS | (1.566) | (1.487) | (1.166) | (1.072) | (0.683) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(tabular amounts in thousands, except share and per share amounts)

Senior Convertible Notes

In April 2004, deCODE completed an offering of \$150,000,000 principal amount 3.5% Senior Convertible Notes (the "2004 Notes") due 2011 to qualified institutional buyers. The 2004 Notes are convertible into shares of deCODE common stock, at the option of the holder, at a price of \$14.00 per share (fair market value of \$10.60 on date of issuance), which is equivalent to an initial conversion rate of approximately 71.4286 shares per \$1,000 principal amount of the Notes. deCODE may redeem the 2004 Notes beginning April 20, 2009. Interest is payable semi-annually on April 15 and October 15. From this offering, deCODE received net proceeds of \$143,805,000. deCODE recorded deferred offering costs of \$6,195,000 which are being amortized to interest expense over the life of the 2004 Notes (through April 15, 2011). During the years ended December 31, 2007, 2006 and 2005, interest expense of \$897,000, \$885,000 and \$885,000 was recorded to other non-operating expenses in the Consolidated Statements of Operations related to the deferred offering cost amortization. Deferred financing costs related to the 2004 Notes is included in other long-term assets and totals \$2,907,000 and \$3,898,000 at December 31, 2007 and 2006. During each of the years ended December 31, 2007, 2006 and 2005, interest expense, related to the 3.5% annual interest, of \$5,250,000 was recorded to other non-operating expenses in the Consolidated Statements of Operations.

In November 2006 deCODE completed the sale of \$80,000,000 principal amount of 3.5% Senior Convertible Notes due 2011 (the "2006 Notes") at a price of 70% of par pursuant to Rule 144A under the Securities Act of 1933. The 2006 Notes have substantially similar terms to the 2004 Notes. The 2006 Notes are convertible into shares of deCODE common stock, at the option of the holder, at a price of \$14.00 per share, which is equivalent to an initial conversion rate of approximately 71.4286 shares per \$1,000 principal amount of the Notes. deCODE may redeem the 2006 Notes beginning April 20, 2009. Interest is payable semi-annually on April 15 and October 15. From the 2006 Notes offering, deCODE received gross proceeds of \$56,000,000. The 30% (\$24,000,000) discount on the 2006 Notes was recorded as a reduction to the debt recorded and deCODE will accrete this discount, over the life of the 2006 Notes (through April 15, 2011), to interest expense up to the full principal amount of \$80,000,000. During the years ended December 31, 2007 and 2006, deCODE recognized interest expense related to the accretion of the discount of \$4,662,000 and \$264,000, respectively, in other non-operating expenses in the Consolidated Statements of Operations, with a remaining discount to be accreted of \$19,074,000 at December 31, 2007. deCODE recorded deferred offering costs of \$3,053,000 which are being amortized to interest expense over the life of the 2006 Notes. During the years ended December 31, 2007 and 2006, interest expense related to deferred cost amortization of \$588,000 and \$34,000, respectively, was recorded to other non-operating expenses in the Consolidated Statements of Operations with a remaining balance of \$2,453,000 and \$3,020,000 at December 31, 2007 and 2006, respectively. During the years ended December 31, 2007 and 2006, interest expense, related to the 3.5% annual interest, of \$2,800,000 and \$583,000, respectively, was recorded to other non-operating expenses in the Consolidated Statements of Operations.

The existence of the substantial discount on the 2006 Notes causes one of the features, a put option by the holder upon a change of control of deCODE, to be accounted for separately as an embedded derivative. deCODE has assessed the probability of a change in control at December 31, 2007 and 2006 to be remote and accordingly, the value assigned to the derivative is immaterial.

The fair value of the 3.5% convertible notes at December 31, 2007 and 2006 was approximately \$153,768,000 and \$170,756,000, respectively. The fair value of the convertible notes was based on the quoted market prices at December 31, 2007 and 2006.