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## Event Transcript

**CALY.OB - CCBN Virtual Healthcare Conference: Co-sponsored by  
Lippert/Heilshorn & Associates and RedChip Partners**

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**CCBNStreetEvents**<sup>SM</sup>

[streetevents@ccbn.com](mailto:streetevents@ccbn.com)

617.603.7900

[www.streetevents.com](http://www.streetevents.com)



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## CORPORATE PARTICIPANTS

### Jim Flanagan

*IR Strategic Advisors - President*

### Anthony Anthony Cataldo

*Calypte Biomedical Corporation - Executive Chairman*

## PRESENTATION

### Jim Flanagan - IR Strategic Advisors - President

My name is Jim Flanagan. I'm President of IR Strategic Advisors, Austin Area Investor Relations and Public Relations Communications firm. I'm also a member of CCBN's Advisory Board and I'll be serving as your moderator for today's Virtual Healthcare Conference.

For our Webcast participants, who are participating live today, you may submit a question at any time by simply typing your query into the question field in the lower left hand side of the Webcast player. I will present these questions during the question-and-answer session at the end of the company's prepared remarks. Should we receive more questions than time allows, please be sure that we will forward all questions to the company management for them to respond to directly.

Our next presentation will be by Calypte Biomedical Corporation. The stock symbol is CALY. The company's headquartered in Alameda, California. It is a public healthcare company dedicated to the development and commercialization of urine-based diagnostic products and services for Human Immunodeficiency Virus Type 1 or HVI-1, which is a sexually transmitted disease as well as other infectious diseases. Calypte tests include the screening EIA and supplement Western Blot tests, the only two FDA-approved HIV-1 antibody tests that can be used on urine samples, as well as an FDA-approved serum Hiv-1 antibody Western Blot test.

The company believes that accurate, non-invasive, urine-based testing methods for HIV and other infectious diseases, may make important contributions to public health by helping to foster an environment in which testing may be done safely, economically and painlessly. Calypte markets its products in countries worldwide, through international distributors and strategic partners.

Representing Calypte today is Mr. Anthony Anthony Cataldo, Chairman. Mr. Anthony Cataldo, please feel free to begin your presentation.

### Anthony Anthony Cataldo - Calypte Biomedical Corporation - Executive Chairman

I sure will. Thank you very much.

Just for note though it is Calypte, though Calypte sounds kind of interesting but it is Calypte. It is certainly a mouthful but the name will kind of stick with you as we get through this.

Thanks to all of you for paying attention to us. It's been an interesting company thus far. I've only been here since May. A lot of things have been accomplished so we're going to go ahead and get into the presentation, talk about the things that are the key asset to the company and try and stay away from the usual amount of BS that you hear every now and then on what the company's going to do this, going to do that and actually focus on what the company's actually accomplished thus far and what those accomplishments mean going forward.

In today's world, I think deliverables mean a lot more than they did during the dot com days and so people are going to see themselves, really attaching themselves to companies that are actually able to deliver and that's what we're all about.

So, in starting with this, the company has accomplished a tremendous amount. We're the only FDA-approved urine-based product out there. It's safe, effective, let's say the alternatives that are out there, its market tested, there's a current revenue stream, the market is huge, we'll get into those types of things, we're focused.

Our efforts are, right now - have been in the insurance industry, that's expanding. Today's press release on the community healthcare network is just one small example of the company actually delivering on its business plan. You're going to see a heck of a lot more of that coming very shortly and the product line is very robust. We're very good at what we do. There's no doubt about our science and there's no doubt about the ability to get it through regulatory.

As I said, we're focused on urine-based testing solutions for infectious diseases. I'm not going to focus on being rhetorical on a lot of this stuff. The product performance and the currently approved product is very, very effective. It's 99.7 percent sensitivity and it's 100 percent specificity since those of you on this network are pretty familiar with what healthcare is all about you know those to be meaningful numbers.

We provide significant competitive advantages over blood and serum and oral fluids specimens. Our documented increase in

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voluntary testing is prevalent; testing is not limited by volume or sample, combats cultural sensitivities to blood, multiple urine test options, cost effective, and painless.

Let's put it this way. You go to a doctor's office and you want to test yourself for HIV and the doctor says, oh, we have three opportunities for you. You can stick yourself with a needle or stab yourself in the finger and give blood. You can stick this instrument in your mouth, scrape your gums and we'll put it on - put your oil saliva with a little mixture of blood there into a device or you can pee in a cup. Well, most people are going to pee in a cup. So, we'll get into that more what that really means.

In comparison, now, what we have is its completely non-invasive. Out of the three offerings out there, the other two are invasive. The way of the future, actually the way of the present is to do anything that's non-invasive. We're not that far along from what Star Trek purports to have in the ability to scan a person's body somewhere in the near future. This is just another step towards that. It's completely non-invasive, completely painless. We've all, you know, been used to peeing in a cup or peeing on or taking a pregnancy test, those of you that are female.

It's cost-effective. It's convenient collection does not require a trained healthcare provider. The safe collection free of infectious virus, listen, I can't tell you enough about what that means. We all know that one of the best ways to catch HIV is through the mishandling of blood either through a needle prick, a pinprick, open wound, a dropped vial that it is very, very dangerous. People have caught HIV from this.

There is absolutely no risk of that and that comes into play on what our marketing strategy is all about easy, cost-effective, sample dosal (ph), yes, of course, sample stability at room temperature without special handling for 55 days. When you're talking about shipping products and going into Third World countries that lack refrigeration capabilities, then - as well as professionals to administer to these tests, this is extremely important. Multiple test capabilities, STD, liver disease, we're going to expand the platform as we go forward.

The process of going through HIV, there are really several products in the company, which we're about to see, right now, the initial screening tests is in singlet, it's re-test in duplicate using screening tests but what it all boils down to is that the company is highly effective in detecting the presence of HIV.

The products and services that Calypte has right now, the existing is the HIV-1 urine EIA. That's a HIV-1 screening test. That's pee in the cup. Send it to the lab. Get a result. HIV urine Western Blot; that is a confirmatory test for the urine test, which is again, non-invasive and no risk to spreading HIV through that.

What I like to say if people cringe when I do it is you could basically bathe in HIV positive urine or drink and not catch HIV. The reason being is that what we detect is the antibodies that are present when HIV infection has occurred in a person. The HIV serum Western Blot is a very effective product for us. That is a confirmatory test we use with serum and plasma specimens. It's known to be one of the top - actually, probably the top quality test in the market. HIV-1 laxates and that's an antigen product, which we sell. One particular pharma company is actually, this is a sole source for one of their products and that we hope to expand on as far as our marketing and leverage-ability. Sentinal, which is a turnkey HIV and STD testing service and the urine bile acid sulphate, that's UBAS, in short and that detects liver dysfunctions and we're using it in the insurance industry.

Our future product, of course, Rapid is a product that we're getting an awful lot of attention. The rapid product is basically like a home pregnancy product; you put a few drops of pee on a plastic device that has a strip of paper in there. Within the first five minutes, it already lets you know if you're HIV positive or negative.

It has a confirmatory test. You would wait a full 20 minutes to make sure that everything is working properly with the test and that is going to be a huge seller for the company. When we were at the Barcelona conference back in July, we had this little booth and all the other giant booths out there with the big pharma companies; we were just deluged with people already trying to buy the product. We hope to have that product out, actually, in the international market somewhere towards the end of the first quarter. You'll see where we are filing an IDE for it to be here in this market and we'll go into that further with the domestic market.

The future products, also, include an HIV-1-2 microwell. Right now, our current product is HIV-1. HIV-2 represents less than one percent of the infections out there on the planet Earth but it's still something we want to test for and put it into our product platform.

Other infectious diseases, hepatitis, syphilis; don't underestimate hepatitis. It is a huge market out there. Currently, the only way

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to test for it is the painful way and the way that you can spread it so we're going to do an awful lot there and you'll see how we focus on that going forward.

As I said, we've got an awful lot behind us. The company has actually had over \$90 million invested into the company up to the point to where the new management came in. Nancy Katz, our current President with her team and then me, as early as May. That \$90 million went into getting the science where it's at, the regulatory where it's at, as well as the facilities, the manufacturing facilities. We manufacture our own products. Our goal is to continue to keep control of manufacturing because it just benefits the company tremendously and the shareholders by being able to do that and to leverage that into larger market with other distributors, which would include large pharma.

Alameda is where our headquarters are. We have 22,000 square feet there. We are PMA approved as well as the ISO 9001 approvals and 13485 certifications. We have Rockville, Maryland where there's 25,000 square foot there. We have a virus production lab. Its VSL 3 (ph) approved. For those of you that don't know these nomenclatures, that means there's a tremendous amount of value to the types of PMA and TLA level approvals that we have in both of our facilities and VSL-3 (ph). During 9/11 when all of that happened, the lab was surrounded because of the nature of - there's only two labs in the world that actually can do what we do on breeding the HIV virus. One of them is ours, so there's a huge amount of asset value there.

More importantly, the ability to produce our products is in both areas. We will also be able to incorporate that manufacturing to our Rapid product and that's important for our future.

We have - I've gone to the next slide. We have a worldwide market out there. There's 40 million people estimated to be living with HIV AIDS right now, 5.3 million annually. In Africa, 2,000 babies a day are born to HIV. That's disgusting and that's scary and we've got to do something about it.

Since AIDS was discovered, 65 million people have been infected, 25 million deaths making it the fourth largest cause of death globally and at the Barcelona Conference and the World Conference for AIDS, they estimated that 70 million people will die over the next 10 years of AIDS. That is the largest plague ever to hit mankind. In Africa, obviously, is a key place where this infection seems to really have taken hold but, certainly, China, India and the United States but no country, no place on the planet Earth is immune to this. The numbers are probably growing and actually, I say probably, we know the numbers are growing. China's finally come out and publicly admitted that -

you've seen our company get very active in China. We'll go through that later on in this presentation.

Africa, like I said, there's a high concentration on that. Obviously, we're going to focus on that on our Africa markets. In the upcoming news events for the company, you'll see what that means for the company in relationship to Africa. You won't be disappointed.

Our philosophy is we want to have a major impact on stopping this thing. The very place where mankind started ought not be the place where we all end but we've got to grab a hold of the solution for this thing and screening and identifying is the first way to go.

On the next slide, the logistics is the largest factor impacting testing solutions. There's, as we said, there's cultural issues; there's neophobia, things like that. It's the unique factors that impact ability to track patients safely and effectively collect transport tests; dispose of samples. Those are our advantages and the ergonomics we're cheaper. We're a heck of a lot cheaper. The willingness to be tested largely depends on which specimen is drawn.

Regions impacted by AIDS face logistical challenges using blood and when you're talking about blood and to some extent, you're talking about products that are invasive. More importantly, blood requires some sort of professional attention, either through a nurse, out at a clinic, a doctor, et cetera and the reasons for that is, because of the nature of blood being very dangerous in the way its handled and we all, like I said earlier, we all know that people have gotten HIV through, you know, needle sticks or pinpricks.

The logistical issues mitigated with urine (INAUDIBLE). Additionally, urine specimen conveniently allows multiple disease tests, sexually transmitted diseases, pregnancy and drug (INAUDIBLE) and many, many other things.

Now, the markets - this is a slide, a market example that was done in the year 2000. It shows the, obviously, billions of dollars in the infectious disease markets for diagnostic market. It shows about \$600 million in the HIV testing. That market is much larger now and growing and it will continue to grow as non-invasive products start to permeate the marketplace. We will have an impact on that.

The revenue opportunities and unmet needs in the US, there's estimated an \$176 million worth of market out there. It's still an unmet need. Blood, oral, HIV testing and penetration is high,

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still have an opportunity to expand access, utilize the utilization of urine in insurance and diagnostic segments. Basically, the markets are there in the US, internationally, we validate our international markets through our US strategy and that's important too.

The FDA approvals that we already have helped us get approvals in our international markets as well, the advocacy of opinion leaders with international reach. The example of that is Community Healthcare Network, which we just announced today, is just a small example of that. You're going to see us in government agencies and many other things. We're currently in Planned Parenthood. We'll go over that later who we actually have as customers right now. The US Research Organizations expanded use into international venues is important to us. There's a large market.

Let's talk about the market. The thing that I think differentiates the company in relationship to its products is, of course, blood plasma is gold standard out there. That predominates the market. Oral has had some impact there as well as our current urine products. Our Rapid product will expand this market exponentially.

Out of the big three - in this marketplace of hundreds of millions of people, well billions of people, to be tested in the world, there's only three solutions. From a company, a public company, that's going out to market, I like the fact that there's limited solutions to a worldwide market. This certainly demonstrates that and blood, as we know, it's expensive. It requires professional attention and it's risky. Oral, again, is an invasive product that is expensive, invasive and there are some risks to this. Urine is not expensive and no risk and very focused.

So out of this large marketplace, there's only one non-invasive product to the detection of HIV in the world and that's our urine product. That is Calypte's product. Our Rapid product will hold to that. In blood, the two ways of getting blood, of course, is to draw it through a needle, put it in a test tube, send it off to a lab or most recently, OraSure has announced its OraQuick rapid HIV product. We want to make sure that you folks understand that is a blood product. That's not an oral product. It's - right now, its - you do it in a laboratory or an emergency room. You stick yourself in the finger with a sharp instrument, you bleed, you put it on a pad, they send it to the laboratory there and they do get a 20-minute rapid test back. Again, it's still a blood product. It still has all the same attributes and its about \$22 a pop.

So, our Rapid product is going to be a heck of a lot cheaper and helluva a lot less invasive. What we have done so far in our current products that have been accepted and are out in the marketplace, nine out of the top 10 insurance companies currently use our product. They use our products in their policies ranging from 500,000 to two million. There's talk of them expanding that to a higher dollar value policies.

We have about 150 insurance companies. Our selected - just a few of the selected customers, just to let you see whose out there, American Medical Securities, Crete, Fairchild Life, American General, New York Life, All America Financial, ING Group, Fidelity, Quest, Planned Parenthood, it goes on and on and that is increasing as we go forward.

The international priorities dictated by what's out there, is there's high disease burdens out there, low-to-moderate regulatory burdens, limited laboratory and transportation infrastructure, high HIV visibility and funding. As we said, we all know that Africa is a very, very big problem but China has come out. There was a scandal in one of the provinces in China where blood banks there's a black marke. In a matter of just a few short months, over a million people were infected because of the mishandling of blood in relationship to this particular virulent disease. So, certainly, our focus is going to be international, as I said, on our current product. We already have one approval out of China. We had announced most recently a minimum \$3 million order out of China for our currently approved FDA product here, which is the EIA product, the urine pee in a cup product.

We will expand those markets through our Rapid product, as well, as our EIA product. In Africa, you're going to see our current microwell product expanding its marketplace going forward and as I said, the international market we expect for the rapid product to be entering that market towards the end of the first quarter coming up.

Our primary focus sub-Saharan in Africa, China, India, secondary Latin America, Eastern Europe, Southeast Asia, Tertiary, Caribbean, Western Europe, Middle East, we're not ignoring the United States. We are going to be going in filing our IDE. Our goal is to ultimately get this test, the Rapid product out into a point of care test so where anybody can go in a store and very confidentially find out if HIV is a problem for them. We'll talk about that going forward through, not through what we're going to do but through the announcements that you see on things that we've actually attained.

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The international revenue model will be driven by our currently expanding revenues through our current approved products in the markets, as well as our expanding markets with the Rapid HIV product urine product and in further, in expanding into different platforms. As I said, hepatitis is a major goal for the company to get into that market with a really elegant solution, non-invasive solution.

We view that healthcare institutions, hospitals, public health clinics, military, so on and so forth. One of the things going around right now would be, should the country have to inoculate for smallpox to the military, one of the key tests that has to be done when you take a smallpox test, is if you have an HIV positive person, you do not want to give a smallpox vaccination. So, they will have to test for HIV. So that's something to keep looking for and to see what's going on with the government. I hope we don't go to war and I hope it's not necessary but in the event, we're ready.

Our domestic revenue model includes distributors. Our plan is to control our science always. To control as much of the manufacturing as we possibly can and then to out license our products through big pharma and distributors all throughout, both domestically and internationally. It's a smart way to go. We have no desire to get out there and to try to compete with the big pharma companies. It's not about money. Even if we had \$100 million to put just in to marketing, its there are networks and there're relationships out there and relationship to the marketing savvy that they have is, quite frankly, well suited towards what our product does.

We are in discussions with big pharma. We have stated that publicly. We will continue to do that and we will continue to move forward to make relationships with distributors including big pharma. We are already a customer - a customer of ours is already the Red Cross. We hope to expand that relationship.

Our new product pipeline milestones are, we do have - already have phase one approval with the WHO. We are going into phase two approval, which is a field test. Once that happens the WHO serves as a surrogate regulatory commission for third world countries. The advantage of that and the fit to that is, once we're through that, we're into their Web site and their catalogue and then organizations, third world organizations, hospitals, clinics, et cetera, can order our products through the WHO and its actually financed through the WHO. So that's very important.

Our Rapid urine and HIV antibody, like I said, we're going for the IDE very shortly now. Urine HIV-1 and 2 microwell is part

of the plan or the acceptance of the WHO, I said is very, very important. Our urine platform for infectious diseases outside with just what we've already got approved and what we're moving forward on Rapid, which will include hepatitis, syphilis and a number of other things.

The new product pipeline milestones that we have, again, you can see this on our Web site. I don't want to be rhetorical. The summary income statement is out there. The company has had revenue from its existing product lines. You can see the breakdown on this. You can go into that, at some point in time in the future and in greater detail if you like.

The summary balance sheet is right now, the most important things for those of you out in the public world; there is currently outstanding 103,450,000 shares. At December 31st a year ago it was 37,792,000. Obviously the increase in share was to restart the company for those of you who know about the company's history and that was back in May, reinvest back into the company, get manufacturing to where its at and to be ready to conquer this marketplace and it was done through equity. Our growth, in the future, is to - well, listen, the best way to raise money is to sell product and to take that product and invest in yourself with your own profit and that is the company's focus and our attention is there and as you can see, new orders are coming and that will continue to happen.

What are the milestones that we accomplished most recently is to bring new urine-based disease testing to the market, that was UBAS, a feasibility testing completed for a 20-minute Rapid test, that's been done, cost saving at the Maryland facility, we've done that, an active investor relations program to communicate the story. Obviously, I wouldn't be here if it weren't for Lippert and CCBN, so we're doing that. We're expanding our distribution in China. We've already announced one minimum order; there'll be more coming out of that to and to re-establish our manufacturing capability, which has already been done. The adoption of urine-based HIV testing by the World Health Organization is key on our list and to file on our Rapid test to get that out internationally, very shortly now, as well as domestically, right around the corner.

The history of the company is available for those folks who want to go through that. I do want to leave time for the question-and-answer period. Our executives are outlined in the company's management. That will also be available to you as well as our Board of Directors. The only thing I will say is our Board includes very high profile people who are very active. So far, Randawa is a member of UTSICA (ph), largest pharmaceutical company in Japan, Mark Novitch, former

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Deputy Commissioner of the FDA, very active with the company, helps us a lot with our regulatory, Julius Krevans, the Chancellor Emeritus of UCSF and that's been important.

They're very good knowledge and they help us a lot. Nancy comes out of big pharma, Johnson & Johnson, Schering Plough, Paul Freiman, formerly a CEO of Syntex, John DePietro's a good financial advisor, our current CFO is pretty solid and then there's me and my expertise is to bring awareness, both on the Wall Street side of the company as well as the commercial side of the company and having had experience with Sanitek and other pharmaceutical companies, bodes well for us.

The patents are very robust. There's a lot of years on them. We've done a really great job with protecting our patents. Again, just highlighting it. We have FDA approvals. We have manufacturing. We have a tremendous amount already accomplished. Most companies that you guys hear about are companies that are going to do this, going to that, we are transitioning from a company that has FDA approval, marketing approval, business out there, customer base into a commercial company going into the market. That's important to note.

I'm going to open up the Internet for questions. So, please go right ahead.

## QUESTIONS AND ANSWERS

**Jim Flanagan** - *IR Strategic Advisors - President*

Thank you Mr. Anthony Cataldo.

Remind our audience that is participating live today that you may submit a question at any time by simply typing your query into the question field in the lower left hand side of the Webcast player.

Our first question is, Mr. Anthony Cataldo, how do you see your company competing against OraSure and the new OraQuick rapid test and could you help our audience by understanding the differences between the two products?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Well, let's talk about it.

With OraSure, I'm not worried about them at all. I think that - I'm glad they're in the market. I'm happy that they see the light and they've gotten a rapid blood lab test approved because that says - that opens the market for our Rapid test tremendously. They, you know, they really don't seem to be focusing a lot of effort on the saliva part of their market. That's not up to me to guess one way or another. Our product stands up very strong against them. Further, it stands up very strong against any of the blood products out there including the OraQuick blood rapid test, as well as determined by Abbott, another blood rapid test and many other blood tests out there.

So, the other thing is, we become, really, we compete with blood out there but, also, we become a value added product to them. A very good use of our product instead of spending the expense and the pain associated with blood is to go ahead and pre-screen before you even go into a blood test.

**Jim Flanagan** - *IR Strategic Advisors - President*

Great.

There's a question from the Web that's relative to a reverse stock split, have you announced a reverse stock split or are you considering a reverse stock split?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

No, we at one point in time were thinking about it and then we decided it's crazy, don't do it. We're not thinking about doing a reverse stock split. The only way a reverse stock split works is if there's just a tremendous amount of good things going on to where the split is actually meaningful to increasing the value of your company. Most of the time, reverse stock splits just are horrible.

**Jim Flanagan** - *IR Strategic Advisors - President*

Next question is, during your presentation you referred to projected and I believe it was sequential revenue growth of some 50 to 75 percent. What's the foundation for your confidence in that and do you expect revenue growth to continue you through 2003?

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

The foundation for my confidence is orders and I expect to continue to grow.

**Jim Flanagan** - *IR Strategic Advisors - President*

What do you see to the adoption rate of the Rapid testing HIV-1, both urine and blood growing in 2003?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

I think any time - listen, there's a number of things that contribute to that. First of all, governments out there are the planet earth have really started to recognize the increase of HIV out there, even though they may not want to pay attention to it. More importantly, what does impact governments, is they're starting to recognize the fact that the disease - being HIV positive and not being aware of it and then it further advancing itself ultimately to AIDS and death, impacts their economic structure.

Let's take South Africa, which we have an FDA approval out there. Thirty percent of the work force in the diamond mines has gone over the last several years and its gone because the people died from AIDS. That impacts your entire government structure. So, governments are jumping into this, as well as the ability to overcome cultural difficulties with blood and phobias such as needle stick, pinpricks and just the refrigeration aspects and many, many other things contributing to that are leading itself to non-invasive rapid testing. So, we're sitting right there with products ready to go.

**Jim Flanagan** - *IR Strategic Advisors - President*

Do you see a market for other urine rapid tests for other diseases? What might be the opportunities for you there?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Oh, most definitely. We've talked about hepatitis, the liver dysfunction product UBAS, which we're currently marketing in North America, as well as the STDs, strep throat, it goes on and on. The idea is for us to remain focused. Right now what the company has done with the money that it's raised over many, many years right now, is it's built up its science to such a degree that when it says it can attack and market and conquer it, it

really can. It can, you know, get the science to where it needs to be and more importantly when you get it through the regulatory process and into the manufacturing and out. Where I think we're not as strong is in distribution but that'd not our focus. Distribution is what we've been outsourcing and will continue to do so.

**Jim Flanagan** - *IR Strategic Advisors - President*

Regarding the World Health Organization endorsement, does that require prior FDA approval?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

No, not at all. The WHO is its own entity. They serve similarly as a regulatory organization. We are already approved in the first phase with the WHO and the field test is the last element of that approval from the WHO, which we'll have no problem with. We've already tested over 12,000 people and getting our approvals where they are right now.

**Jim Flanagan** - *IR Strategic Advisors - President*

In a previous question you responded about the confidence in the numbers going forward relative to the number of orders coming in, can you provide any kind of range or order of magnitude or what they're worth, the value of these orders coming in might indicate?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

You know what, I mean, you know, there's always a temptation to go ahead and say that but I think the best thing and the best way to do that is, look at today's press release, Community Healthcare Network to offer Calypte's Urine HIV-1 test, several weeks ago, a minimum \$3 million order from China. I would say - the company's response should and always will be watch our press releases. They talk about events that have actually transpired as opposed to we're going to do this; we're going to do that.

I found out as Chairman and CEO of several companies that if I went out there and said we were going to 50 million and we did 49.9 million, you guys hated me. So, I learned to say, well, hopefully we could do - we could increase our sales by 50 percent and then get 49.9 and then everybody thinks, you know,



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we're geniuses. The idea is to be very, very conservative with what we're saying and to beat our obligations through actual physical orders that we can publicly announce.

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**Jim Flanagan** - *IR Strategic Advisors - President*

That's great. What other initiatives are being considered to raise the awareness for urine HIV-1 testing?

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Well, there's two things going on, one the initiatives that the company has to take on all its own. When I say on its own that includes Lippert who is our IR firm but it also includes Planned Parenthood. We've just more recently announced that Diane Harrison will be joining the board. She's the President of the Northwest region here in San Francisco of Planned Parenthood.

That certainly – they are currently a client that certainly brings awareness to the commercial side of the business. We have added some new employees to the company, in the form of people that are expertise in government as well as community healthcare services. O'Dell (ph), which was an announcement we announced yesterday. That's increasing. We have been getting, most recently, the attention of the press as well. We've been interviewed several times by the Dow as well as the Wall Street Journal in China, most recently. That's – they seem to be coming more and more towards us.

The fact that Abbott and OraSure announced their blood rapid lab test his helping us tremendously on the commercial side and now that I think that people understand what it is, I think that's also starting to advance itself on the public side.

So, you know and most importantly, doing things like this, I just this week started getting out in front of people. We chose to keep a very low profile until we were really ready to rock and roll. We are now, so I'm going to New York this week. I'll be speaking in front of folks there. You're going to see more and more of that and its going to be talking about the accomplishments of the company and how that translates into our company being very successful on implementing its business plan going forward.

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**Jim Flanagan** - *IR Strategic Advisors - President*

Like to remind our audience who are participating live today, that you may submit a question at any time by simply typing your query into the question field that you'll find in the lower left hand side of the Webcast player. Let's ...

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Hello.

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**Jim Flanagan** - *IR Strategic Advisors - President*

Out next question is about the approval process relative to the FDA for the Rapid test and when consumers can expect to see the Rapid test in the domestic markets?

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Well, the same thing I said about forecasting and money, it's the same thing I do in relationship to forecasting when regulatory approvals happen. We are going to be filing the IDE very shortly. No later than the end of the first quarter. We will be very active with the FDA and our IDE. We've already gone through the pre-FDA meeting for our IDE. We're well positioned to do that. We know what it takes. We expect that product to be in the market in the near future, whether its – it could be a year, certainly not over two years. We actually will be able, in the interim period, over somewhere in 2003, be able to start selling the product to specialty organizations that are allowed through an expanded IDE through the FDA. So there is going to be sales out into the United States in the year 2003 for the Rapid test.

Internationally, we'll be in the markets, which is actually a much larger market, by the way, internationally we expect to have our Rapid test out into the market by the end of the first quarter 2003.

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**Jim Flanagan** - *IR Strategic Advisors - President*

That's great.

Id' like to remind our audience that is participating live today that you may submit a question at any time by simply typing your query into the question field that you'll find in the lower left hand side of the Webcast player.

# FINAL TRANSCRIPT

CALY.OB - CCBN Virtual Healthcare Conference: Co-sponsored by Lippert/Heilshorn & Associates and RedChip Partners

Mr. Anthony Cataldo, you've financed the company through some stock recently, earlier this year I believe, do you feel you may need to go back to the capital markets? Do you feel that this financing will fund your operating expenses and where do you think you'll be as far as break-even?

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Well, the company is continuing to generate revenues. That is, continuing to increase. The break even point is predicated upon a few things that have already happened and are about to happen, so I don't want to forecast when that's going to happen but we're expecting good things from that very shortly.

The other thing is that to raise additional finance for the company to carry it through its re-start period, eliminating its debt structure, will be done through very selective equity instruments that are really forward-looking not backward looking.

Our spiral debt financings, allows the company to perform to where that instrument would be used and then translated into equity. In other words, you know, not doing these types of things have hurt a company going forward. The things that - right now, our markets respond to basically market maker activity while we increase our product awareness to the commercial market and our Wall Street awareness through our merit, the ability to sign on new customers and to accomplish things with our new product line. That will change and I see more retail line coming in to as well as institutions are starting to, certainly not participate yet but are starting to call us up and say hey, what's going on here? We're on their radar screens. It's our job now just to meet the business plan.

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**Jim Flanagan** - *IR Strategic Advisors - President*

We have a question from an investor who has some experience investing in medical companies where the distributors did not have sufficient resources in the seal to promote the product. Are you comfortable with the relationships that you have with your current distributors and do you feel that they're focusing sufficient attention on your company's products?

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Absolutely.

We don't sign a distribution agreement unless there's cash that comes with it, as was the case with our most recent China distributor. The big pharma companies that we're talking to certainly have the means to do that. It's really important for us to make sure that our distribution partners have the financial where withal to do that. As I said, we do not execute any distribution deals that don't meet a certain financial criteria.

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**Jim Flanagan** - *IR Strategic Advisors - President*

We have a question relative to the opportunities in the military or government area and have you been in discussions with them and are there significant opportunities there for your company?

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

There are significant opportunities. I am not allowed to talk about discussions that we are currently having.

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**Jim Flanagan** - *IR Strategic Advisors - President*

OK, that's fair. Relative to the HIV-1 Rapid test market, could you give us a sizing of that market?

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**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

The HIV rapid test market - according to the year 2000 figures, market figures of \$598 million available on HIV testing, that's very, very low. The things that impact it in at least \$3 billion to \$5 billion market right now are the ability to provide rapid non-invasive tests, will increase that market share. As I said, we become in some ways a value added product to blood testing and that is any time you can take a test that's being done for \$30 in some third world country and there's a 40 percent throw out rate because of HIV infection and bring in just a several dollar test that can detect the HIV presence, highly efficaciously and not even get to that point to where you have to spend that money that's pretty important.

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**Jim Flanagan** - *IR Strategic Advisors - President*

And what's the current market or who is the market leader in the HIV rapid test area?

# FINAL TRANSCRIPT

CALY.OB - CCBN Virtual Healthcare Conference: Co-sponsored by Lippert/Heilshorn & Associates and RedChip Partners

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Well, there is no current market leader in the HIV rapid test because they're just now starting to come out. It's up for grabs. You know the only tests available out there on the rapid tests are, of course, the current traditional blood testing and the most recently announced OraQuick Rapid blood lab test and I believe, Abbott has a rapid test too but there again, they're blood tests that require, you know, professional care as well as refrigeration and a number of things and certain elements and a number of steps. We feel that we will be the market leader in the rapid test, not only for HIV but for other test and indications for other disease states.

**Jim Flanagan** - *IR Strategic Advisors - President*

Mr. Anthony Cataldo, we have time for just one more question.

For an investor who wanted to continue to monitor your company's progress, what would you consider to be the key milestones that they should look for over the next 12 months?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Well, I think they've already seen a lot of those key milestones. The issue with your investor group out there is the fact that they don't know who the heck we are. If they would review what's happened with the company, just since May, they would see a tremendous amount of milestones already having been met. Obviously, milestones going forward are, as today, indicates Community Healthcare Networks are signing up. Other new customers to come very shortly via it be the delivery of the product to the international markets, the Rapid product at the end of the - before the end of the first quarter in 2003, the IDE for the FDA, new distributor partnerships, very meaningful partnerships. So there's enough already done and enough coming that's going to help transition this company into a company that people actually are aware of.

**Jim Flanagan** - *IR Strategic Advisors - President*

We've been listening to the presentation of Mr. Anthony Anthony Cataldo of Calypte Medical Corporation, stock symbol CALY. Mr. Anthony Cataldo, your Web site if anybody wanted to find additional information?

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Yes, its www.calypte, C-A-L-Y-P-T-E.com and certainly there, through Lippert's Web site, Lippert/Heilshorn as well as our trading symbol is CALY. So, anyone of those three areas can tell you an awful lot about us.

**Jim Flanagan** - *IR Strategic Advisors - President*

Thank you Mr. Anthony Cataldo and we appreciate your participating in today's CCBN Virtual Healthcare Conference. We thank our audience for participating in real time and for our audience members who wish to listen to the next Webcast, please close your Media player and return to ccbn.com, redship.com or lhai.com and click on the agenda URL for the CCBN Virtual Healthcare Conference.

Thank you for participating today.

**Anthony Anthony Cataldo** - *Calypte Biomedical Corporation - Executive Chairman*

Thanks.

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