

QRxPharma trials recipe for pain relief

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It's hoped a new pain treatment drug, which has the support of ResMed chief executive Peter Farrell, will take a slice of the global \$US50 billion (\$59 billion) pain treatment market.

QRxPharma, which develops therapies to treat disorders of the central nervous system, is close to completing trials for its pain relief medication. It expects that the fewer side effects and lower addiction risk associated with the drug will boost its take-up by patients.

"There has been little innovation [in pain relief]," managing director John Holaday said. "Since [the advent of morphine over 200 years ago] there have been a number of other opioid drugs all of which sooner or later show they have the same kinds of side effects."

QRxPharma's breakthrough was to combine two traditional, powerful pain relief medications — morphine and oxycodone — which have a concomitant effect on pain, giving patients the same relief using half the normal dose.

"The two [drugs] together add up to four," Dr Holaday said.

The treatment is expected to be approved by US regulators and ready for sale by 2010, tapping into the \$US50 billion pain treatment market.

About \$US10 billion of this is sales in treatments for moderate to severe pain where QRxPharma's drug will have the greatest benefit.

Support of the drug by Dr Farrell, who has overseen the listing and international development of sleep disorder treatment giant ResMed, added weight to the \$96 million company which listed in May.

Dr Farrell said the company's management and medical advisory board were experienced and respected and he had previously invested money with QRxPharma director Michael Quinn.

When the company's share price fell to \$1.80 from a listing price of \$2 Dr Farrell bought more shares and owns about 2 per cent of QRxPharma.

The stock, which made up the largest life-sciences initial public offering in Australia, ended at \$1.77 yesterday, jumping 3.5 per cent after sliding earlier this month to as low as \$1.70.

Dr Farrell said the outlook for the drug was encouraging.

"It doesn't face a huge risk with getting it through the FDA [Food and Drug Administration]," he said.

"Morphine is generic and oxycodone is well known. The two together seemed to be an easy story to tell and they asked me if I would be interested in getting involved."

"They have done six clinical trials and the data is very solid."

Dr Holaday said the company faced a relatively low hurdle to gain FDA approval, needing only to show pain relief relative to placebo. The drug's low side effects — its main selling point — could be indicated to doctors with strongly supportive data from trials.

Although morphine and oxycodone are already available on the market, they were not for sale in the doses required by QRxPharma's treatment, which would insulate sales from generic substitution until its patent ends after 2020.

"With manufacturing, distribution and marketing, we will still have very significant margins of around 90 per cent, which means



Peter Farrell . . . The two drugs together are 'an easy story to tell'. Photo: PHIL CA

this can be quite affordably priced and bring revenue to the company," Dr Holaday said.

"And we can use a small sales force and achieve good penetration of the market . . . because we are not teaching the doctors new tricks."

He said the company planned to employ its own sales force to market the treatment rather than seek to sell its patent to a large pharmaceutical company as many research and development firms did.

But investors would have to be patient as they waited for return

"To launch a sales force and make a product in sufficient quantities will be quite expensive," Dr Holaday said. "It can take a couple of years to penetrate the market before we can bring sufficient returns to shareholders."

QRxPharma is also investigating the use of dual opioids to treat Parkinson's disease and dystonia neurological movement disorder.