Biotech Daily's CEO interview

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PEPLIN'S MICHAEL ALDRIDGE:
'CREDIBILITY IS CRITICAL'

Born to a New Zealand Army family in Malaysia, Peplin's chief executive officer Michael Aldridge should be getting used to travel. He grew up on military bases before graduating in Chemistry from Canterbury University and then changing tack for the world of commerce and completing a Master's of Finance at Sydney's Macquarie University.

He worked with SG Warburg in Sydney and London before joining Volpe Brown Whelan in San Francisco and was an associate director at Bear Stearns & Co Healthcare Banking in New York, and that was all accomplished before he was 32 years old.

With three children under 18 months the Aldridge family returned to Australia and Michael was given the task at Wilson's HTM of finding out whether "it was worth building a banking business to service a biotech industry".

He must have decided it was because one of his clients, Peplin, asked him to joint the company as CEO. He told Biotech Daily it wasn't a difficult decision. "I've always been fascinated by the industry," he said.

Now aged 40, Mr Aldridge has been with Peplin for four years and in the last six months has again traveled for work, this time relocating to the San Francisco Bay Area to expand Peplin into the major target market of North America.

In Melbourne to see major shareholders, Michael Aldridge is most cautious about disclosing his company's plans.

Strongly positive results from Peplin's 220 patient phase IIb actinic keratosis trial (see Biotech Daily July 19, 2007) pave the way to a pivotal phase III trial by April 2008. Asked whether there would be a capital raising to fund the trial Mr Aldridge declined to comment but said the company had $30 million in the bank in March 2007. He has previously said that trials for PEP005 Topical for actinic keratosis are "relatively cheap to run".

He said the company had "very clear plans" on the phase III trials and would talk to the US Food and Drug Administration when all the data from a second phase II trial had been collated.

Mr Aldridge said he expected to begin talks with the FDA prior to the phase III trial and discussing specific dates was not productive.

"We've always hit all of our milestones," Mr Aldridge said. "Credibility is critical in this business – it's all there is. There's not a lot of profit and there's not a lot of revenue."

While planning continues for the actinic keratosis phase III trial, PEP005 Topical is also in phase II trials for basal cell carcinoma and in preclinical development for bladder cancer and intravenous leukemia treatment.

The technology is all based on the historically observed properties of the sap of Euphorbia peplus or radium weed, also known as petty spurge, cancer weed and milkweed – a native of Europe, Asia and North Africa. The active molecule is ingenol-3-angelate or PEP005, a delta isoform of the protein kinase C.

Mr Aldridge was accompanied by Peplin’s general manager for Australia and chief scientific officer Dr Peter Welburn who explained that PEP005 kills mitochondrial cells by causing swelling till they burst and at the same time initiates an immune response recruiting neutrophils to kill tumor cells, thereby giving the drug its short application but long term clearance rates.

Mr Aldridge said the three existing drugs in the $US200 million US market required frequent applications for up to four months compared to PEP005 which required two or three days of application.

He underlined the very clear patient satisfaction outcomes from the recent trial results showing very high satisfaction scores in terms of healing, treatment and convenience of use.

The existing drugs needed to be applied over a much longer time and they irritated and inflamed the skin where applied.

Pending a successful phase III trial and US registration procedures, Peplin's cosmetically attractive lead candidate PEP005 Topical appears likely to take a significant slice of the market.

Peplin was unchanged at 90 cents.