

# UPDATE 2-Aeterna's prostate treatment misses key goal

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By Scott Anderson

TORONTO, Dec 7 (Reuters) - Aeterna Zentaris Inc's ([AEZ.TO](#)) treatment for enlarged prostate missed key goals in a European study, the drugmaker said on Monday, raising more doubts that the treatment will win regulatory approval and sending the company's shares tumbling.

Quebec City-based Aeterna said trials for its cetorelix treatment for benign prostatic hyperplasia failed to reach the company's primary goal and there were no clear differences in overall efficacy.

The study showed an improvement in urine flow and patients showed no significant side effects.

Prostatic hyperplasia is a benign enlargement of the prostate in middle-aged and elderly men.

The company's shares, which have fallen 66 percent in the past six months on the disappointing results, were down 16.2 percent at 98 Canadian cents on the Toronto Stock Exchange on Monday.

The disappointing results from both this study and an earlier North American study have analysts speculating that the company will abandon the treatment and refocus its attention on its other drugs including its experimental drug KRX-0401 used to treat cancer of the blood.

The company, which has scheduled a conference call for later in the day, was not available for further comment.

"For valuation purposes, we will certainly assume that the cetorelix program is dead for now," said Douglas Loe, an analyst at Versant Partners.

Earlier this year the company reported similar results from its North American studies, prompting doubts that it will see regulatory approval for the treatment. Typically, the U.S. Food and Drug Administration requires two positive trials for approval of a drug.

Last week, KRX-0401, also known as Perifosine, received fast-track approval from U.S. health regulators, a move that could clear a quick path to final approval for the multiple myeloma treatment.

Aeterna is developing the drug with partner and licensee Keryx Biopharmaceuticals ([KERX.O](#)) in the United States, Canada and Mexico.

"There is a life after cetorelix pipeline that looks pretty attractive," said Loe. "There's certainly ample scientific justification for funding that trial and I think it becomes the lead valuation driver for the company."

(\$1=\$1.05 Canadian) (Reporting by Scott Anderson; Editing by Frank McGurty)

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