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Ventrus Biosciences Reports Second Quarter 2012 Financial Results

NEW YORK, Aug. 9, 2012 (GLOBE NEWSWIRE) -- Ventrus Biosciences, Inc. (Nasdaq:VTUS) today reported financial results for the second quarter ended June 30, 2012.

"Following the announcement of the positive results in the second quarter highlighting the potential of VEN 307 as a treatment of choice for anal fissures, Ventrus is now squarely focused on moving this important compound forward toward registration," said Russell H. Ellison, M.D., M.Sc., Chairman and Chief Executive Officer of Ventrus Biosciences, Inc. "We look forward to establishing next steps in this process with the FDA, and to launching a second Phase 3 study for VEN 307 in anal fissures, both expected before year end. Thanks to careful cash management, the Company remains sufficiently well capitalized, with approximately $29 million in cash and equivalents, which should allow us to advance VEN 307 through to regulatory filing, and to explore the potential of VEN 308 as a treatment for fecal incontinence."

For the three months ended June 30, 2012 Ventrus's operating loss was $7,478,306, which included approximately $900,000 in non-cash stock based compensation expense. Operating loss for the three months ended June 30, 2011 was $6,901,571, which included approximately $3.65 million in non-cash stock based compensation expense. General and administrative expense was $1,316,382 for the second quarter of 2012, compared to $3,801,989 for the same period in 2011. The decrease was primarily due to a decrease in stock option and warrant expense. Research and development expense was $6,161,924 for the second quarter of 2012, compared to $3,099,582 for the same period in 2011. The increase was primarily due to the costs associated with the Phase 3 clinical trial for the now-terminated VEN 309 program and manufacturing costs to support future clinical studies for VEN 307.

At June 30, 2012, cash and cash equivalents were approximately $29 million, compared to approximately $37 million at December 31, 2011. During the quarter ended June 30, 2012, the Company received gross proceeds of approximately $4.5 million from the sale of shares through an at-the-market equity sales program. Gross cash spend in the second quarter 2012 was approximately $6.94 million, as compared to approximately $2.85 million in the same period in the prior year. The increase was primarily driven by the Phase 3 clinical trial costs for VEN 309. Average monthly gross spend was $2.3 million in the second quarter, an increase from approximately $0.3 million in the first quarter of 2012. Ventrus expects average monthly cash spend to decrease by approximately $1 million per month for the remainder of the year.

We believe that our existing cash and cash equivalents at June 30, 2012, will be sufficient to enable us to fund our projected operating expenses and capital expenditure requirements through the third quarter of 2014.

About Ventrus

Ventrus is a development stage pharmaceutical company focused on the development of late-stage prescription drugs for gastrointestinal problems, specifically anal disorders. Our lead product is topical diltiazem (VEN 307) for the treatment of anal fissures for which the first Phase 3 trial was initiated in November 2010, and reported positive top line results in May 2012. Our product candidate portfolio also includes topical phenylephrine (VEN 308) intended to treat fecal incontinence. VEN 307 and VEN 308 are two molecules that were previously approved and marketed for other indications and that have been formulated into our in-licensed proprietary topical treatments for these new gastrointestinal indications.

Please Note: The information provided herein contains estimates and other forward-looking statements regarding future events. Such statements are just predictions and are subject to risks and uncertainties that could cause the actual events or results to differ materially. These risks and uncertainties include, among others: the timing, cost and results of clinical trials and other development activities involving our product candidates; the unpredictability of the clinical development of our product candidates and of the duration and results of regulatory review of those candidates by the FDA and foreign regulatory authorities; the unpredictability of the size of the markets for, and market acceptance of, any of our products; our anticipated capital expenditures, our estimates regarding our capital requirements, and our need for future capital; our reliance on our lead product candidate, VEN 307; our ability to retain and hire necessary employees and to staff our operations appropriately; and the possible impairment of, or inability to obtain, intellectual property rights and the costs of obtaining such rights from third parties. The reader is referred to the documents that we file from time to time with the Securities and Exchange Commission.

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