



# Biotech Daily

Tuesday March 24, 2009

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: SUNSHINE HEART UP 40%; PHYLOGICA DOWN 17%**
- \* **MONASH UNI, SYNCHROTRON 'SOLVE' CYTOPIA'S JAK1 PROTEIN**
- \* **AVEXA BEGINS 16-WEEK PHASE III ATC FOR HIV DATA ANALYSIS**
- \* **HEALTHLIX SHARE PLAN RAISES \$144k; \$500k NOTE CONVERTED**
- \* **ALLERON REDUCES TO 5.8% OF BIOTA**
- \* **IM MEDICAL REQUESTS 'SIGNIFICANT NEGOTIATIONS' TRADING HALT**

## MARKET REPORT

The Australian stock market climbed 0.84 percent on Tuesday March 24, 2009 with the S&P ASX 200 up 29.67 points to 3,580.0 points.

Eighteen of the Biotech Daily Top 40 stocks were up, seven fell, seven traded unchanged and eight were untraded.

Sunshine Heart was best, up two cents or 40 percent to seven cents with 188,000 shares traded, followed by Starpharma up 26.3 percent to 24 cents with 500,927 shares traded, Bone up 25 percent to 25 cents and Optiscan up 17.1 percent to 4.1 cents.

Peplin climbed 5.45 percent; Alchemia, Avexa, Novogen and Polartechinics were up more than four percent; Genera was up 3.33 percent; Clinuvel and Universal Biosensors rose more than two percent; with Arana, Biota, Heartware, Pharmaxis, Progen and Sirtex up less than one percent.

Phylogica led the falls, down one cent or 16.7 percent to five cents with 223,000 shares traded, followed by Circadian down 9.33 percent to 68 cents.

Mesoblast lost 5.6 percent; Living Cell and Resmed fell more than four percent; Benitec and Cathrx were down more than three percent; Cochlear shed 2.63 percent; with CSL and Nanosonics down more than one percent.

## CYTOPIA

Cytopia says the three dimensional structure of the JAK1 protein, involved in cancer and immune response, has been solved.

In a media release entitled 'Australian Synchrotron works with industry to unlock cancer secrets' the Synchrotron said scientists from Monash University's Protein Crystallography Unit collaborated with Cytopia "to solve the structure of a crucial protein that affects the immune system and cancer cells".

The media release said the protein known as JAK1, or Janus kinase-1, was present in many cells within the body and became activated during certain immune responses, such as viral infections, and was overactive in certain cancers like leukaemia and lymphoma. Cytopia's research director Dr Christopher Burns said that knowing the precise structure of the JAK1 protein gave researchers "a precise view on how a drug can be designed to block this protein's activity".

"This work should have application in improving the properties of a number of experimental anti-cancer drugs," Dr Burns said.

Victoria's Innovation Minister Gavin Jennings welcomed use of the synchrotron for business research and development.

"It's great to see industry and researchers working together at the Australian Synchrotron to help fight cancer," Mr Jennings said.

"The Victorian Government has a proud record of forward-thinking investment in infrastructure to support innovative biotechnology industries," Mr Jennings said.

The Synchrotron media release said the work represented "one of many protein crystal structures that have been mapped at the synchrotron".

Monash University's Protein Crystallography Unit team was led by Prof Jamie Rossjohn and discovered the protein crystal and has published its work online this month in the Journal of Molecular Biology.

"Designing better drugs to assist in decreasing the prevalence of a disease such as leukaemia is a very exciting prospect for us," Dr Burns said.

"We are expanding our knowledge of how cancers develop and grow by using the advanced technologies available at the Synchrotron," Dr Burns said.

"We are now at the final stages of utilizing the findings from work at the Australian Synchrotron and allowing a generation of JAK-targeted drugs to be trialed," he said. Separately, Cytopia said it would present data on its JAK2 program at the American Chemical Society meeting, underway in Salt Lake City, Utah.

Cytopia senior scientist Dr Tracy Nero would present the poster in the division of medicinal chemistry's general poster session on March 25, 2009.

The poster, entitled 'Small molecule inhibitors of Janus kinases describes preclinical data for a series of JAK2 inhibitors that lead to the identification of CYT387' which Cytopia said was its lead JAK2 drug candidate for the treatment of myelo-proliferative disorders.

Cytopia said data for CYT387 in a panel of in vitro assays would be shown, as would comparative data with other described JAK inhibitors.

A separate poster on Cytopia's vascular disrupting agent, CYT997, has also been presented at the same conference.

Cytopia said the discovery of a specific single activating mutation in the JAK2 enzyme in myelo-proliferative disorders in 2005 focused attention on developing a therapy for these diseases through selective inhibition of JAK2.

"To successfully address these chronic diseases with a JAK2 inhibitor, the specificity and resultant tolerability profile was a key element of the product profile required for a best-in-class inhibitor," Cytopia said.

Cytopia was untraded at 11 cents.

## AVEXA

Avexa says the last patient enrolled in the initial two-dose phase of its apricitabine phase III trial has passed the week-16 time point.

Avexa said the event triggered data analysis to select the optimal apricitabine dose which was expected by June 30, 2009.

The trial has compared an 800mg dose against a 1200mg dose (BD: March 5, 2009).

The company said patients who passed week-16 continued in the 48-week trial, which had a primary endpoint at week 24.

Avexa's chief scientific officer Dr Jonathan Coates said that reaching the "very important milestone" showed that the apricitabine (ATC) study was on track.

"A substantial number of patients have already completed the primary end-point phase of this study," Dr Coates said. "I am confident the optimal dose from our phase III will be selected and another key milestone for ATC will be achieved."

Avexa said it had been invited to present apricitabine at the Clinical Symposium of the International Conference on Antiviral Research in May, 2009.

Avexa climbed half a cent or 4.76 percent to 11 cents with 2.3 million shares traded.

## HEALTHLINX

Healthlinx's share purchase plan closed on March 20, 2009 raising \$144,000.

Healthlinx said the allotment date was March 30, 2009 with dispatch on April 10, 2009.

The company said that under the terms of the plan, the issue price and the number of shares to be issued could not be determined until after the close of trading on March 27.

Healthlinx said the November 26, 2008 annual general meeting approved a \$500,000 convertible note agreement and the conversion into ordinary shares at the election of the note-holder, director Stephen Copulos.

The company said that on March 16, 2009 Mr Copulos elected to convert the note into fully paid ordinary shares at 4.5 cents a share.

Healthlinx said conversion would reduce overheads by \$75,000 a year in saved interest payments and the board had approved the allotment of 11,111,111 shares to Mr Copulos. Healthlinx was untraded at 5.5 cents.

## IM MEDICAL

IM Medical has requested a trading halt pending an announcement "concerning negotiations which are significant to the company".

Trading will resume on March 26, 2009 or on an earlier announcement.

IM Medical last traded at 0.2 cents.

## BIOTA

Alleron Investment Management has reduced its substantial holding in Biota from 11,852,090 shares (6.80%) to 10,097,196 shares (5.78%).

Biota was up half a cent or 0.87 percent to 58 cents.