



Biotech Daily

Thursday February 10, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PRANA UP 8%; LBT DOWN 11%**
- * **CALZADA'S METABOLIC STUDIES AOD9604 FOR OSTEOPOROSIS**
- * **CORRECTION: CLINUVEL**
- * **CHEMGENEX INVESTORS BACK CEO DR GREG COLLIER'S 4.6m OPTIONS**
- * **NARHEX RAISES \$2.5m**
- * **GIACONDA TELLS ASX: CASH SUFFICIENT, PENDING CAPITAL RAISING**
- * **BIOMD REQUESTS 'POTENTIAL TRANSACTION' TRADING HALT**

MARKET REPORT

The Australian stock market was up 0.2 percent on Thursday February 10, 2011 with the S&P ASX 200 up 9.6 points to 4914.4 points.

Nine of the Biotech Daily Top 40 stocks were up, 18 fell, eight traded unchanged and five were untraded. All three Big Caps were up.

Prana was the best, up one cent or 7.7 percent to 14 cents, with 145,350 shares traded.

Alchemia, Biota and Circadian climbed more than four percent; Virax was up 3.7 percent; Nanosonics and Sunshine Heart rose more than two percent; with Immuron up 1.25 percent. Cochlear, CSL, Mesoblast and Resmed were up by less than one percent.

LBT led the falls, down 0.8 cents or 10.7 percent to 6.7 cents with 69,000 shares traded, followed by Genetic Technologies down 9.1 percent to 10 cents with 614,654 shares traded.

Benitec lost 6.1 percent, Impedimed fell 5.4 percent; Prime fell 4.3 percent; Phosphagenics, Universal Biosensors and Viralytics were down more than three percent; Genera, Pharmaxis, Phylogica and Psivida shed more than two percent; with Chemgenex, Heartware, Patrys and Tissue Therapies down one percent or more.

CALZADA

Calzada says an in vitro study of fat drug AOD9604 has shown potential efficacy for bone health applications.

Calzada said its wholly-owned subsidiary Metabolic Pharmaceuticals commissioned the study at the Samuel Lunenfeld Research Institute at Mt Sinai Hospital in Toronto, Canada to investigate the potential of AOD9604 on human osteoblasts.

Calzada said the study by Prof Marc Grynpas and Dr Rita Kandel showed that with increasing concentrations of AOD9604 there was clear evidence of both a positive change in the morphology of the cells and an increase in resulting bone mineralization.

Calzada chief executive officer Dr Stewart Washer said the data added "significant value to our previous in vivo studies in rat models of osteoporosis as it demonstrates that AOD9604 also has a clear effect on human bone-forming stem cells".

"Previous studies have demonstrated that daily oral dosing of AOD9604 can prevent loss of bone quality in an animal model of human osteoporosis," Dr Washer said.

Dr Washer said AOD9604 could also have a role in treating osteoporosis by repairing and healing bone.

He said that Metabolic was investigating the potential of AOD9604 in both the obesity and bone health markets by adopting a partnering strategy.

Dr Washer told Biotech Daily that AOD9604 had shown potential against obesity and osteoporosis as it was a human growth hormone fragment.

A phase II trial by Calzada (then known as Metabolic) in 2007 showed no significant weight loss in patients complying with US Food and Drug Administration diet and exercise regimes (BD: Feb 21, 2007).

The company said at that time that non-compliant patients had shown weight loss.

More recently, Calzada became aware of pirated versions of the drug being manufactured in China for use as an injection to remove fat from body-builders (BD: Dec 2, 2010).

The company has licenced AOD9604 to Phosphagenics for use as a transdermal fat remover (BD: Oct 19, 2010).

Today Calzada said it intended to partner AOD9604 as a treatment for bone diseases by compiling a data package that contained the current and previous bone studies in osteoporotic rat models, "together with the large and valuable quantity of safety data resulting from the six human clinical trials conducted to date".

Calzada said the global osteoporosis therapeutics market was valued at \$9.6 billion in 2009 and estimated to increase to \$18.2 billion by 2017 due to an ageing world population.

Calzada said pharmaceutical companies were actively looking for new molecules that were safe and could demonstrate activity in preventing bone re-absorption or promoting bone healing and AOD9604 had demonstrated activity in both of these areas.

Calzada said that since 2002, there had been five separate studies aimed at determining the compound's effect on bone metabolism.

Calzada was up 0.6 cents or 20 percent to 3.6 cents with 20.3 million shares traded.

CLINUVEL PHARMACEUTICALS

Last night's edition said that "all 70 patient visits" for Clinuvel's first US phase II study of afamelanotide had been completed.

Clinuvel's head of communications Lachlan Hay has told Biotech Daily the 70 patients who completed the trial had a total of 430 visits.

The new sub-editor has been disciplined and re-educated.

Clinuvel fell one cent or 0.45 percent to \$2.22.

CHEMGENEX

Chemgenex shareholders overwhelmingly voted for a resolution to provide 4,578,667 options to chief executive officer Dr Greg Collier.

Chemgenex said the options were exercisable at 47.5 cents each by November 30, 2015. The company said the issue was in part to compensate for 3,300,000 previously issued options which had lapsed.

The company said 177,632,483 proxy votes supported the options with 5,159,190 proxy votes against.

Chemgenex fell half a cent or one percent to 49.5 cents.

NARHEX LIFE SCIENCES

Narhex says it has raised \$2.5 million through the issue of 250 million shares at one cent a share.

The company said the funds were to facilitate its reinstatement on the ASX, fulfil agreement obligations for the anti-HIV compounds DG-17 and DG-35, pay the costs of recapitalization and investigate new opportunities (BD: Jan 18, 2011).

Narhex is in a suspension and last traded at 1.6 cents.

GIACONDA

Giaconda has told the ASX that the cash at hand was sufficient and the company was in the process of raising further funds.

In its Appendix 4C quarterly report Giaconda said its net operating cash burn for the three months to December 31, 2010 was \$95,000 with cash at the end of the quarter of \$49,000 (BD: Feb 1, 2011).

Giaconda said today that it would "be able to continue to fund activities with the cash on hand at the end of the quarter".

"We are in the process of attempting to raise additional funds to invest in development of the remaining therapies in our portfolio," Giaconda said.

Giaconda was untraded at 3.5 cents.

BIOMD

Biomd has requested a trading halt pending an announcement "regarding a potential transaction".

Trading will resume on February 14, 2011 or on an earlier announcement.

Biomd closed up 1.8 cents or 25.35 percent to 8.9 cents with 333,731 shares traded, before the trading halt was published at 3.38pm.