Biotech Daily

Friday February 18, 2011

Daily news on ASX-listed biotechnology companies

*** ASX FLAT, BIOTECH UP: LBT UP 18%; GENETIC TECHNOLOGIES DOWN 8%**

*** WEHI: ERG KEY TO BLOOD STEM CELL REGENERATION**

*** TAMARA NEWING SENTENCED, FREED ON GENETIC TECHNO DEALING**

*** BIONICHE: 'UROCIDIN 25% 12-MONTH DISEASE-FREE SURVIVAL'**

*** PHARMASYNTH REVENUE, ONE-OFFS CUT PROGEN H1 LOSS 61%**

*** LBT H1 REVENUE UP 56%, LOSS UP 53%**

*** PRANA PLEADS SCHULTZ, NASDAQ TO ASX 57% PRICE QUERY**

*** ALCHEMIA APPOINTS CHARLES WALKER CFO**

*** NOMINATIONS FOR 2011 PRIME MINISTER'S SCIENCE PRIZES**

*** BIO-MENTORING AUSTRALIA, AUSBIOTECH 'MBA IN A DAY' SEMINAR**

MARKET REPORT

The Australian stock market slipped 0.03 percent on Friday February 18, 2011 with the S&P ASX 200 down 1.7 points to 4936.7 points.

Nineteen of the Biotech Daily Top 40 stocks were up, 10 fell, six traded unchanged and five were untraded.

LBT was best, up 1.1 cents or 17.7 percent to 7.3 cents with 19,632 shares traded, followed by Antisense up 14.3 percent to 0.8 cents with 2.9 million shares traded.

Immuron climbed 6.6 percent; Prana was up 5.9 percent; Phosphagenics, QRX and Virax were up more than three percent; Alchemia, Bionomics, Biota, Chemgenex, Genera, Nanosonics, Prima and Viralytics rose two percent or more; with Heartware, Impedimed and Phylogica up more than one percent.

Genetic Technologies led the falls, down 0.8 cents or eight percent to 9.2 cents with 2.2 million shares traded.

Benitec and Sunshine Heart lost more than five percent; Cellmid and Patrys were down more than three percent; Cellestis shed 2.2 percent; with Clinuvel down 1.3 percent.

WALTER AND ELIZA HALL INSTITUTE FOR MEDICAL RESEARCH

The Walter and Eliza Hall Institute (WEHI) says its researchers are studying how blood stem cells regenerate themselves, identifying a key gene required for the process.

WEHI said that the discovery that the ETS-related gene (Erg) was vitally important to blood stem cells' unique to self-renew "could give scientists new opportunities to use blood stem cells for tissue repair, transplantation and other therapeutic applications".

The Institute said that Prof Doug Hilton, Dr Samir Taoudi and colleagues from the institute's molecular medicine and cancer and haematology divisions led the study, published in February edition of Genes and Development and entitled 'ERG dependence distinguishes developmental control of haematopoietic stem cell maintenance from haematopoietic specification'. An abstract of the article is available at http://bit.ly/eFSW0V.

Dr Taoudi said the research aimed to understand how blood stem cells were made.

"One of the key features of blood stem cells, one that could be exploited for therapeutic use, is their ability to regenerate or renew themselves," Dr Taoudi said.

"However, relatively little is known about how this occurs, or the molecular pathways that specifically control regeneration," Dr Taoudi said.

WEHI said that blood stem cells were required to produce and maintain the blood system throughout an organism's lifetime and were multipotent cells, meaning they were able to form any cell of the blood system, but not other cells, and they self-renew, so they were a source of endless supply.

The Institute said that one major barrier to their therapeutic use was that the cells could only be isolated in numbers too low for practical use and efforts to expand the number of cells often caused them to turn into more mature cells.

"At the moment, if you take stem cells from a person and try to expand them, many of the stem cells lose their ability to regenerate," Dr Taoudi said.

"The practical aim of our research is to find ways in which you could take stem cells collected from bone marrow or cord blood and switch on expression of particular sets of genes, encouraging the stem cells to expand, essentially creating your own endless supply of blood stem cells," Dr Taoudi said.

The Institute said that its researchers had previously discovered that Erg was vital for the proper function of adult blood stem cells and studied blood stem cells in a developing embryo, a time when the cells were particularly active, to determine Erg's role in stem cell production and maintenance.

"We found that during development, Erg was not needed for the original blood stem cells to be made, or to produce mature blood cells," Dr Taoudi said. But without Erg, these new blood stem cells rapidly decreased as they divided to produce more blood, so that they were almost completely exhausted by the time the mouse was born."

Further testing revealed that two other genes important in embryonic development, Gata2 and Runx1, were controlled by Erg at the blood producing stage of development.

"These genes are called transcription factors. They are the switches that turn on and off other genes," Dr Taoudi said.

"Individually, these genes are not essential for regeneration, but if you lose both, the stem cells are quickly exhausted, Dr Taoudi said. "This is a key part of the puzzle, but we will continue to work to find out how these genes directly control self-renewal, and the signals that actually tell the stem cell to regenerate."

Dr Taoudi said there was still a lot of work to be done.

"We have found part of the pathway required for the expansion of blood stem cells under normal conditions, but from a translation perspective, we still need to establish whether increasing expression of these genes will actually lead to expansion in a culture dish," Dr Taoudi said.

GENETIC TECHNOLOGIES

The daughter of Genetic Technologies' founder Dr Mervyn Jacobson, Tamara Newing, was sentenced to 21 months gaol for market manipulation but was released immediately.
In the County Court in Melbourne late this afternoon, Justice Barbara Cotterell imposed the sentence and freed Ms Newing on a two year, $5000 good behavior bond.
Court officers told Biotech Daily that in sentencing Ms Newing, Justice Cotterell spoke of the death of Ms Newing's son Reagan last year.
Ms Newing's son from her previous marriage, Reagan Milstein, died in July 2010, aged 14, following a scuba diving accident in Malaysia.
In October last year Ms Newing pleaded guilty to 10 counts of market manipulation between April 18, 2005 and November 2, 2006 (BD: Oct 29, 2010).
Ms Newing was originally charged with 353 counts on the same offence (BD: Dec 15, 2008; Feb 1, 4, 2010).
An officer of the County Court told Biotech Daily in October 2010 that the specific charges were for transactions likely to have the effect of creating an artificial price or maintaining a level that is an artificial price for trading in breach of sections 1041A and 1311 (i) of the Corporations Act.
In March 2010, Ms Newing's husband and former Genetic Technologies chief operating officer Geoffrey Newing, 44, was sentenced to 22 months gaol with a minimum of six months on five charges of market manipulation (BD: Mar 18, 2010).
Dr Mervyn Jacobson has pleaded not guilty to 319 counts of market manipulation and his case has been set for August 1, 2011.
Genetic Technologies fell 0.8 cents or eight percent to 9.2 cents with 2.2 million shares traded.

BIONICHE LIFE SCIENCES

Bioniche says it will present data from its first phase III trial of Urocidin for bladder cancer produced an overall one-year disease-free survival rate of 25 percent.
Bioniche said the research with Endo Pharmaceuticals evaluated the efficacy and safety of Urocidin in 129 patients with non-muscle-invasive bladder cancer who were refractory to intravesical bacillus Calmette-Guérin (BCG) therapy and at high risk of progression.
The company said the patients had high grade papillary and/or carcinoma in situ and had failed to respond to one or more courses of BCG.
Bioniche said the overall one-year disease-free survival rate was 25 percent, defined as lack of recurrence or progression to muscle-invasive disease, as confirmed by biopsy.
Bioniche's head of communications Jennifer Shea told Biotech Daily that for many patients the alternative would be surgical removal of the bladder, leading to an unpleasant quality of life
Ms Shea said a 25 percent overall one-year disease-free survival rate compared favorably to existing treatments.
The company said the details of the trial would be disclosed at the meeting of the European Association of Urology in Vienna, Austria, March 18-22, 2011.
Bioniche said the accepted abstract was available to Association members.
The company said that further results would be made during a presentation at the American Urological Association meeting in Washington, DC, May 14-19, 2011.
Yesterday, Bioniche said it had enrolled the first patient in the second phase III clinical trial of Urocidin for bladder cancer.
Bioniche was up 13 cents or 9.3 percent to $1.53.

PROGEN

Progen says its revenue, primarily from Pharmasynth's manufacturing operations, increased 33.4 percent to $1,494,000 for the six months to December 31, 2010, reducing the net loss after tax 61.2 percent to $3,176,000.
Progen said that Pharmasynth recorded a profit of $266,000 for the half-year ended December 31, 2010, compared to a loss of $188,000 for the prior corresponding period.
The company said that Pharmasynth's revenue was up 61.0 percent to $1,196,000 for the six months to December 31, 2010.
Progen said decrease in expenses related to the $1.8 million settlement with Medigen in the six months to December 31, 2009, along with reductions in legal expenses.
Progen said it spent $2,646,000 on research and development.
The diluted loss per share fell from 33.16 cents to 12.85 cents.
Progen was unchanged at 32 cents.

LBT INNOVATIONS

LBT says revenue increased 56 percent to $316,762 for the six months to December 31, 2010, but the net loss after tax increase 53 percent to $799,487.
LBT said revenue was primarily royalties from Biomérieux for the Previ Isola agar plate streaking system and interest on cash, while the company spent more on research and development for its automated plate assessment system.
The diluted loss per share increased 52.8 percent from 0.53 cents to 0.81 cents.
LBT was up 1.1 cents or 17.7 percent to 7.3 cents.

PRANA BIOTECH

Prana has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.
The ASX said the company's share price rose from 14 cents on February 16, 2011 to 22 cents, a 57.1 percent increase, today and noted an increase in trading volume.
Prana said it had noted an increase in its share price and volume traded on the Nasdaq last night and it was possible the Australian trading followed the US trading.
Prana said it had told the Nasdaq market watch department it was "unaware at this stage of any significant movements in its share register in respect of major US based shareholders disclosing any significant buying or selling activities".
Prana said a US online share analysis service ranked it the second highest "in terms of upside potential in the biotechnology industry".
Prana was up one cent or 5.9 percent to 18 cents with 1.2 million shares traded.

ALCHEMIA

Alchemia has appointed Charles Walker as its chief financial officer effective from March 15, 2011.
Alchemia said Mr Walker trained as pharmacologist before working for a pharmaceutical consultancy, a Nasdaq-listed combinatorial chemistry company and a US hedge fund.
The company said Mr Walker had spent 11 years in corporate finance advisory positions advising emerging technology companies in financial strategies.
Alchemia said that in 2003, Mr Walker co-founded the UK-based life sciences investment banking firm Code Securities, which was sold to Nomura International plc in 2005.
Alchemia was up 1.5 cents or 2.2 percent to 70 cents.

AUSTRALIAN GOVERNMENT - PRIME MINISTER'S SCIENCE PRIZES

Innovation Minister Senator Kim Carr says nominations for the Prime Minister's Prizes for Science have opened.

Senator Carr said the prizes were a fitting tribute to the important work done by scientists and science teachers.

"These prizes reward our top scientists for their achievements and recognize our science teachers for inspiring the next generation of science leaders," Senator Carr said.

"I encourage all Australians to nominate a scientist or a teacher who has shown them the wonder and the power of science."

A media release from the Department of Innovation said that past winners were recognized for their part in discoveries such as wireless LAN technology, the bionic ear, research in immunology, quantum technology and astronomy and included Prof John Shine, Prof John O'Sullivan, Prof Ian Frazer, Prof Graeme Clark, Prof Frank Fenner and Nobel laureate, Prof Elizabeth Blackburn.

"Australians are rightly proud of their science history, and the reputation for excellence we have built on the international stage," Senator Carr said.

The media release said the Prime Minister's Prize for Science was worth $300,000, with $50,000 for each of the Malcolm McIntosh Prize for Physical Scientist of the Year; the Science Minister's Prize for Life Scientist of the Year; the Prime Minister's Prize for Excellence in Science Teaching in Secondary Schools; and the Prime Minister's Prize for Excellence in Science Teaching in Primary Schools

Nominations close on May 13, 2011. To nominate or for further information go to: https://grants.innovation.gov.au/SciencePrize/Pages/Home.aspx

BIO-MENTORING AUSTRALIA, AUSBIOTECH

Bio-Mentoring Australia will conduct an 'MBA in a Day' seminar on March 1, 2011 as an Ausbiotech biotechnology professional development course.

Speakers include Bio-Mentoring partner Tom Williams, Monash University's Prof Mike Vitale and Verva chairman Dr Ian Nisbet.

Bio-Mentoring Australia said the seminar is tailored for bio-scientist and those who employ bio-scientists who would benefit from a better understanding of business basics.

Bio-Mentoring Australia said the seminar would be in two parts with the morning session "an intensive and entertaining day that covers corporate law, accounting, intellectual property, business planning, fund raising, valuations and negotiations".

The afternoon session puts participants in management's shoes in a case study that asks them to make decisions "at critical moments in the journey of a bio-science company from start-up to take-over".

The seminar will be held at Ausbiotech offices, 322 Glenferrie Rd, Malvern, Victoria on March 1, 2011 from 9am to 5pm.

Participation costs $660 or $550 for Ausbiotech members with group discounts and can be booked through Ausbiotech.

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