Biotech Daily

Tuesday February 22, 2011

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH DOWN: VIRAX UP 6%; PRANA DOWN 9%**

*** BENITEC, CHINA'S BIOMICS CONTINUE HEPATITIS B RESEARCH**

*** FDA APPROVES CYCLOPHARM PULMONARY EMBOLISM PHASE III TRIAL**

*** $5000 POSTER PRIZES AWARDED AT LORNE CANCER CONFERENCE**

*** IDT H1 REVENUE UP 28%, TURNAROUND PROFIT**

*** BRAIN RESOURCE H1 REVENUE DOWN 3%, PROFIT DOWN 27% TO $566k**

*** HUNTER HALL SELLS 3m BIOTA SHARES**

*** BIOTECH CAPITAL SELLS 12m PHYLOGICA SHARES**

*** CBIO PLEADS SCHULTZ, ANALYSTS TO ASX 35% PRICE QUERY**

MARKET REPORT

The Australian stock market fell 0.88 percent on Tuesday February 22, 2011 with the S&P ASX 200 down 43.3 points to 4856.7 points.

Seven of the Biotech Daily Top 40 stocks were up, 20 fell, seven traded unchanged and six were untraded.

Virax was best, up 0.2 cents or 6.25 percent to 3.4 cents with 1.1 million shares traded, followed by Universal Biosensors up four cents or 2.7 percent to $1.54, with Clinuvel and Sirtex up more than one percent.

Prana led the falls, down 1.5 cents or 8.8 percent to 15.5 cents with 229,666 shares traded.

Biota, Living Cell, Prima and Uscom fell more than four percent; Bionomics, Chemgenex, Phosphagenics, Phylogica and Starpharma lost more than three percent; Acrux, Advanced Surgical, Benitec, Circadian, Impedimed and Viralytics shed more than two percent; with Cochlear and Pharmaxis down more than one percent.

BENITEC

Benitec says it will develop an RNA interference-based therapeutic for hepatitis B to the point of pre-clinical studies in vivo with China's Biomics Biotechnologies Co.
Benitec said it had completed the first stage of its anti-viral program which was the identification of target gene sequences through screening to develop an RNAi -based therapy against hepatitis B virus.
The company said the overall aim of the hepatitis B program was to develop a novel and effective therapeutic option, based on its DNA directed (dd)RNAi platform technology, to improve the lives and health outcomes for people with hepatitis B and to reduce its spread.
Benitec said current therapies had limited inhibitory effects on viral gene expression and replication in the majority of chronically infected patients.
Benitec said that it and Biomics would share the costs of the program, the ownership of the intellectual property and the commercialization rights based on an agreed division of territories.
The first stage of the program began in 2010 and was successful in achieving its aim of identifying several target RNA sequences capable of inhibiting the replication of the virus.
Benitec said that five thousand clones from the target viral gene were sequenced and more than 500 potential RNA target sequences were identified.
The company said the RNA sequences were randomly distributed along the target gene and a laboratory model of HBV infection identified the most effective RNA sequences.
Benitec said 100 of the 500 RNA sequences produced 50 percent or greater hepatitis B gene knock down, 14 of which resulted in more than 70 percent knock down.
The company said the data provided a solid foundation for the second stage of the program under which the companies will carry out proof-of-principle studies in vitro and in vivo to optimize a preclinical ddRNAi-based therapeutic candidate and would take about 18 months to complete.
Benitec chief executive officer Dr Peter French said his company's ddRNAi technology provided "a unique route to directly targeting the activity of [hepatitis B virus] genes with minimum off-target side effects".
"Identifying highly effective RNA sequences was the key to Benitec committing to the next stage of the program and this was clearly achieved in stage one," Dr French said.
Benitec said that more than 1.25 million people in the US living with the consequences of chronic active hepatitis B virus and more than 60,000 new cases per year.
Benitec fell 0.1 cents or 2.7 percent to 3.6 cents with 6.8 million shares traded.

CYCLOPHARM

Cyclopharm said the US Food and Drug Administration has approved a special protocol assessment phase III clinical trial development program for Technegas in-patients with suspected pulmonary embolism.
Cyclopharm said a special protocol assessment was a mechanism through which the FDA and the sponsor reach agreement on the design, size, clinical endpoints and data analysis of a clinical trial that is intended to support an efficacy claim in a new drug application for regulatory approval.
Cyclopharm said the FDA response left no clinical issues outstanding and provided confidence that the design of the phase III program and clinical trial for Technegas was suitable to support regulatory approval for the US.
Cyclopharm said patient recruitment was expected to begin by July 2011.
Cyclopharm was up 0.3 cents or 3.8 percent to 8.2 cents.

LORNE CANCER CONFERENCE

Eight posters presented at Victoria's Lorne Cancer Conference have won a total of $5,000 for their authors.

The conference sponsored by the Cancer Council of Australia and CSL was held from February 10 to 12, 2011.

Two European Association for Cancer Research bursaries worth $1,000 each were awarded to the University of Bern's Markus Germann for a poster entitled 'Cancer cells with stem/progenitor properties and active notch signaling may explain progression to castration resistant prostate cancer' and the UK's Beatson Institute for Cancer Research's Dr Paul Timpson for the poster 'Spatial regulation of RhoA activity during mutant p53-driven pancreatic cancer cell invasion in live animal'.

The $500 Cancer Council Australia Poster Prize was won by the Ludwig Institute for Cancer Research's Dr Tracy Putoczki for her poster entitled 'New roles for interleukin11 in inflammation and colon cancer', while the Ludwig's Stefan Thiem won a $500 Lorne Cancer Conference Poster Prize for a poster entitled 'Gastric tumorigenesis requires STAT 3 and MTOR signaling'.

The Ludwig Institute said the Lorne Conference was "Australia's premier international research meeting in basic mechanism underlying cancer" and said it was pleased that two of its scientists were awarded prizes for their findings relating to cancer of the stomach.

The Ludwig Institute said gastric cancer was the fourth most common cancer world-wide with limited treatment options.

The Institute said its scientists explored novel approaches to curb the growth of tumour cells in animal models and is in part based on a collaboration with CSL.

The Ludwig Institute described itself as the largest international academic non-profit institute dedicated to understanding and controlling cancer.

The $500 CSL Poster Prize was awarded to the Peter MacCallum Cancer Centre's Lorey Smith for a poster entitled 'A large scale RNAI screen for regulators of the RAS suppressive function of Scribble'.

The $500 Agilent Technology Poster Prize was awarded to the Walter and Eliza Hall Institute for Medical Research's Stanley Lee for a poster entitled 'Polycomb repressive complex 2 (PRC2) restricts Myc-driven lymphomagenesis'.

The latter two $500 Lorne Cancer Conference Poster Prizes were awarded to the Australian National University's Rosemary Manhire-Heath for a poster entitled 'Drosphilia Melaongaster pupal disc eversion: a system for studying epithelial to mesenchymal transition' and to the Queensland Institute of Medical Research's Amanda Bain for her poster entitled 'The DNA repair protein SSB1 is critical for genomic stability'.

IDT

IDT says its net profit after tax for the six months to December 31, 2010 was $837,000 compared to the previous corresponding period's $639,000 loss.

IDT said revenue was up 28.2 percent to $8,252,000.

IDT said that diluted earnings per share was 0.02 cents compared to the previous period's loss of 0.01 cents. No dividend will be paid.

IDT said its Adelaide-based CMax clinical trial business contributed strongly to revenue, while contracts for manufacturing active pharmaceutical ingredients for foreign customers had suffered due to the difficulty of those companies to find funds.

"The company has increased its business development activity to replace this lost revenue," IDT said.

IDT fell five cents or 7.5 percent to 62 cents.

BRAIN RESOURCE

Brain Resource says its net profit after tax for the six months to December 31, 2010 fell 27 percent to $566,246 on revenue down three percent to $3,706,911.
Brain Resource said diluted earnings per share fell 25 percent to 0.6 cents for the six months to December 31, 2010 compared to 0.8 cents for previous corresponding period.
The company said no dividend would be paid.
Brain Resource fell four cents or 10.8 percent to 33 cents.

BIOTA HOLDINGS

Hunter Hall Investment Management has reduced its substantial holding in Biota from 25,556,011 shares (14.14%) to 22,767,260 shares (12.59%).
Biota fell five cents or 4.6 percent to $1.04 with 2.1 million shares traded.

PHYLOGICA

Biotech Capital has reduced its substantial holding in Phylogica from 29,166,667 shares (10.3%) to 17,263,405 shares (6.09%).
Last year, Biotech Capital said it would wind-up its fund and return capital to its shareholders and the “current portfolio should be liquidated in an orderly manner over the next 18 months” (BD: Aug 12, 2010).
Biotech Capital also told the ASX that it holds a $1,000,000 convertible note at four cents a share in Phylogica, convertible on April 30, 2011, which would equate to a further 25,000,000 shares.
Phylogica was down 0.3 cents or 3.95 percent to 7.3 cents with 1.7 million shares traded.

CBIO

CBio 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 40 cents on February 18, 2011 to 54 cents, a 35 percent increase, today and noted an increase in trading volume.
CBio said it was aware of research reports by Lodge Partners stockbrokers and research firm Wise-Owl.
CBio said both reports highlighted the potential impact of the phase IIa trial due to finish dosing by April 2011 and the potential size of a collaboration or licencing agreement with a major pharmaceutical company that could be negotiated following the trial.
The company said the Wise-Owl report give a valuation of $1.47 and the Lodge report gave a valuation of 82 cents per share.
CBio was up one cent or two percent to 51 cents with 1.65 million shares traded.