



Biotech Daily

Friday March 18, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ANTISENSE UP 14%; BENITEC DOWN 10%**
- * **UNNAMED GROUP REJECTS ANTISENSE ATL1101; LICENCE HOPES**
- * **FDA ACCEPTS HEARTWARE BRIDGE-TO-TRANSPLANT APPLICATION**
- * **SIRTEX KEEPS 95% OF FOUNDER DR BRUCE GRAY'S \$2.6m APPEAL**
- * **YM RAISES \$46m ON CYTOPIA COMPOUNDS, SHUTS MELBOURNE OFFICE**
- * **ORBIS TAKES 120% PROFIT ON 2.4m STARPHARMA SHARES**
- * **ANDREW GOODALL INCREASES, DILUTED TO 17.35% OF NUSEP**
- * **ANDREW DOYLE INCREASES, DILUTED BELOW SUBSTANTIAL IN NUSEP**
- * **PM PAUL KEATING LOSES BRAIN**

MARKET REPORT

The Australian stock market climbed 1.56 percent on Friday March 18, 2011, with the S&P ASX 200 up 71.1 points to 4626.4 points.

Seventeen of the Biotech Daily Top 40 stocks were up, six fell, 11 traded unchanged and six were untraded.

Antisense was best, up 0.1 cents or 14.3 percent to 0.8 cents, with 24.2 million shares traded, followed by Genetic Technologies up 11.4 percent to 7.8 cents with 152,542 shares traded.

Chemgenex and LBT climbed more than eight percent; Acrux and Impedimed were up more than seven percent; Bioniche was up 5.5 percent; Prima, Starpharma and Tissue Therapies were up four percent or more; Nanosonics and Universal Biosensors were up more than three percent; Bionomics, Pharmaxis and Viralytics rose more than two percent; with Biota up 1.05 percent.

Benitec led the falls, down 0.3 cents or 9.7 percent to 2.8 cents, with 8.3 million shares traded, followed by Cellmid down 7.4 percent to 2.5 cents with 832,520 shares traded.

Living Cell lost 5.6 percent; Alchemia and Clinuvel shed more than two percent; with Cellestis down 1.4 percent.

ANTISENSE THERAPEUTICS

Antisense says a specialist oncology group won't proceed with a non-prostate tumor indication of its ATL1101 for prostate cancer.

Last year Antisense supplied ATL1101 drug product to the oncology company for tests on their in-house animal cancer models with a view to licencing the drug (BD: Jul 13, 2010).

The company said at that time that previous animal studies in collaboration with Vancouver Prostate Cancer Centre researcher Prof Martin Gleave demonstrated ATL1101's effectiveness in suppressing human prostate cancer tumor growth by targeting the insulin-like growth factor-1 receptor and ATL1101 was the only gene-silencing or RNA-targeting drug known to be in development for that target.

Today, Antisense said that the unnamed specialist oncology company evaluated ATL1101 in a non-prostate tumor system and determined not to proceed with further experimental work on ATL1101.

Antisense said the outcome did not affect its partnering plans for the further development of ATL1101 as a treatment for prostate cancer, as there was "limited experience with the use of second generation antisense drugs in the non-prostate tumor system used in this case, in comparison to the prostate cancer models employed by Prof Gleave's research group".

The company said Prof Gleave's group also conducted preclinical research on another second generation antisense drug developed by the Vancouver Canada-based Oncogenex Pharmaceuticals which subsequently completed phase II trials in a range of cancers including prostate and was in phase III clinical trials for prostate cancer.

Antisense said that "given Prof Gleave's successful studies specifically related to the prostate cancer application of ATL1101, [Antisense] will continue to seek a development partner primarily for this indication".

The company said it was in discussions with other parties interested in the development of ATL1101 for prostate cancer and had patent protection for ATL1101 to 2024, extendible up to 2029 in the US, Australia, Europe and Japan.

Antisense was up 0.1 cents or 14.3 percent to 0.8 cents with 24.2 million shares traded.

HEARTWARE

Heartware says the US Food and Drug Administration has accepted its bridge-to-transplant clinical trial pre-market approval application for filing and substantive review.

Heartware said the official filing date was December 28, 2010, the date of original receipt of the application by the FDA.

According to the FDA website a 180-day review period begins from the official date of filing, so the company should receive its response by the end of June, 2011.

The FDA said an application would not be accepted for review unless it met "a minimum threshold of acceptability".

In January the FDA extended by 94 patients the number of patients receiving the left ventricular device under a continued access protocol and was an investigational device exemption supplement (BD: Jan 25, 2011).

The company said at that time the FDA had granted two prior allotments of 54 patients each in April and September 2010.

Heartware said in January the 'Advance' bridge-to-transplant trial was evaluating its ventricular assist device (HVAD) for patients with end-stage heart failure and 140 patients at 30 US clinical sites had received the pumps, making it the largest bridge-to-transplant pivotal trial.

Heartware was untraded at \$2.40.

SIRTEX

Sirtex says the full court of the Federal Court has found partly in favor of an appeal by founder, major shareholder and former chief executive officer Dr Bruce Gray.

Dr Gray was appealing against costs previously ordered on June 24, 2010 by the Federal Court that Dr Gray pay Sirtex \$2,575,185.83 (including interest on Sirtex's damages) and in addition, Sirtex's costs of this aspect of the University of Western Australia proceedings. The University of Western Australia case centred on Dr Gray's and Sirtex's right of ownership over the intellectual property to the Sir-Spheres technology created when Dr Gray was an employee of the University (BD: Sep 8, Oct 7, 2009).

Today, Sirtex said Dr Gray had paid that amount and today the full court said Sirtex was entitled to retain more than 95 percent of the total sum.

Sirtex said the Court requested the parties to file proposed orders giving effect to the judgment and containing the exact amounts by April 1, 2011 and the Court would make final orders and consider the question of the costs of the appeal.

Sirtex said it was "pleased with the outcome of the appeal as it was very substantially successful in retaining the significant recovery of legal costs from Dr Gray".

Sirtex said leave to appeal to the High Court of Australia could be made within 28 days of the final orders.

Sirtex was unchanged at \$5.21.

YM BIOSCIENCES

YM Biosciences says it has great success with Cytopia's CYT387 for myelofibrosis, including raising \$46 million, but will close its Melbourne operation as of March 31, 2011.

YM said it acquired Cytopia in January 2010 (BD: Oct 6, 2009) and was developing three clinical-stage products: Cytopia's CYT387, a small molecule, dual inhibitor of the JAK1 and JAK2 kinases for severe haematological disorders; nimotuzumab, an EGFR-targeting monoclonal antibody; and Cytopia's CYT997, a vascular disrupting agent for cancer.

YM said it was "particularly pleased with the recent clinical progress of CYT387" which was in clinical trials at the Mayo Clinic and Stanford University, in Canada and Melbourne. The company said data suggested that CYT387 was able to significantly improve the symptoms of patients with myelofibrosis, a frequently fatal bone marrow disorder and since the study began in November 2009, more than 100 patients had been treated, with enrolment expected to be completed by April 2011.

YM said that based on the CYT387 data it had raised about \$US46 million.

YM said it had maintained an active drug development program in Australia, including a dedicated office and development staff, but "as project management of these aforementioned clinical studies has been assumed at YM's head office in Toronto, the company will be decreasing operations within Australia and will close the Australian office effective March 31, 2011".

The company said that YM Australia (formerly Cytopia) would continue to operate as a subsidiary of the YM Biosciences group of companies and it "greatly value[d] the ongoing interest in the Cytopia assets from our Australian shareholders".

At its peak Cytopia employed about 50 staff and at the time of the merger had reduced to about eight staff.

YM trades on the Nasdaq and last night was unchanged at \$US2.51.

STARPHARMA

Orbis Investment Management has reduced its substantial holding in Starpharma from 27,975,808 shares (11.47%) to 25,581,697 shares (10.45%).

Orbis said it sold 2,394,111 shares for \$2,702,258 or an average price of \$1.13 per share. In August 2010, Orbis acquired 2,593,290 shares for \$1,329,637 shares or an average price of 51.3 cents a share (BD: Aug 30, 2010).

Starpharma was up 4.5 cents or 4.5 percent to \$1.045 with 1.4 million shares traded.

NUSEP

Andrew Goodall has increased his substantial holding in Nusep and has been diluted through the recent share issue.

Mr Goodall of Murwillumbah New South Wales increased and was diluted from 11,532,403 shares (21.65%) to 12,678,235 shares (17.35%).

In a separate notice, Nusep said it had issued 3,888,890 options associated with its December 2010 share purchase plan.

In January Nusep issued 4,761,905 shares resulting from the share plan that raised \$1 million (BD: January 18, 2011).

Nusep was untraded at 20 cents.

NUSEP

Singapore-based Andrew Doyle has increased his holding but has been diluted below ceased his substantial holding in Nusep.

Mr Doyle said he acquired or was issued 1,025,305 shares but has fallen from his previous 5.31 percent with 2,830,000 shares to below five percent.

BRAIN RESOURCE

Brain Resource says founding director, former Australian Prime Minister Paul Keating has resigned.

Brain said Mr Keating helped found the company in 2001 and had been an active participant in its growth.

The company said Mr Keating had resigned "owing to wider employment responsibilities" but had accepted an offer to act as an advisor, for at least an initial 12-month term.

Brain said it was reviewing the structure of the board in light of its increasing US focus had several candidates being assessing for the position of director.

Brain was untraded at 36.5 cents.