Biotech Daily

Tuesday, May 10, 2011

Daily news on ASX-listed biotechnology companies

*** ASX DOWN, BIOTECH UP: LBT UP 17%; COMPUMEDICS DOWN 5%**

*** BIONOMICS: 'NEUROGENESIS PAPER SUPPORTS BNC210'**

*** EURO COMMITTEE BACKS ACRUX RECUVYRA DOG PAIN RELIEF**

*** PHYLOGICA, PEPSCAN OPTIMIZATION COLLABORATION**

*** STARPHARMA LICENCES JAPAN'S OKAMOTO FOR VIVAGEL CONDOMS**

*** EURO PATENT FOR HEALTHLINX AGR2 BIOMARKER**

*** CEPHALON TAKES 68% OF CHEMGENEX**

*** NOVOGEN CLOSES ISOFLAVONE SALE TO MARSHALL EDWARDS**

*** CBIO TELLS ASX: CASH SUFFICIENT, TRIAL COSTS, CAPITAL RAISING**

*** SOLAGRAN WINS SHARE-TRADING APOLOGY FROM THE AGE**

*** OMI REQUESTS ACQUISITION, CAPITAL RAISING TRADING HALT**

MARKET REPORT

The Australian stock market fell 0.65 percent on Tuesday, May 10, 2011 with the S&P ASX 200 down 31.0 points to 4725.8 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 11 fell, eight traded unchanged and seven were untraded. All three Big Caps fell.

LBT was best, up 0.8 cents or 17.0 percent to 5.5 cents with 15,000 shares traded, followed by Patrys up 7.1 percent to 15 cents with 73,233 shares traded.

Genetic Technologies climbed 6.4 percent; QRX and Starpharma were up more than five percent; Viralytics was up 4.4 percent; Virax was up 3.7 percent; Mesoblast and Prana rose more than two percent; with Heartware, Pharmaxis, Phylogica and Prima up more than one percent.

Compumedics led the falls, down 0.5 cents or 4.55 percent to 10.5 cents with 13,000 shares traded; Cellmid and Phosphagenics lost more than three percent; Circadian and Clinuvel shed more than two percent; with Alchemia, Biota, Cochlear, Impedimed, Nanosonics and Resmed down more than one percent.

BIONOMICS

Bionomics says a research study demonstrating a key link between the effectiveness of antidepressants and neurogenesis has implications for its BNC210.

Bionomics said the study entitled 'Antidepressants recruit new neurons to improve stress response regulation' and published in the journal Molecular Psychiatry, was led by the Norway University of Science and Technology's Dr Alexandre Surget and described an animal model of unpredictable chronic mild stress that produced depressed behavior in mice and demonstrated the importance of neurogenesis or new neuron growth for the ability of antidepressant compounds to reverse this depression.

The study is at: www.nature.com/mp/journal/vaop/ncurrent/full/mp201148a.html.

Bionomics chief executive officer Dr Deborah Rathjen told Bitoech daily that the importance of the study for BNC210 was that stress reduced neural function and caused neuron death and agents that reduced stress reversed the process.

Dr Rathjen said that anti-depressants such as Prozac and BNC210 appeared to have the same neurogenesis capacity, but BNC210 worked immediately, while anti-depressants took weeks to take effect.

Dr Rathjen said BNC210 could be used in more acute settings and had been shown in mouse models to have fewer side effects including drowsiness and withdrawal symptoms.

In its media release Bionomics said that stress was an important cause of anxiety disorders and depressive illness in humans and the same effects could be seen in mice.

Bionomics quoted the article saying that stressed mice displayed overt signs of depression including weight loss and poor coat condition and were found to be producing fewer neurons in the brain's dentate gyrus.

The researchers found that giving the mice fluoxetine (Prozac) for five weeks while they were under the stressful conditions overcame the effects of stress and reduced their depression.

Bionomics said the key discovery was that the antidepressant only worked if the dentate gyrus was able to generate new neurons.

Bionomics said the research provided encouraging support for the clinical development of BNC210 which had been shown to have potent enhancement of neurite outgrowth in primary neurons, an indicator of neurogenic activity and a classic hallmark of antidepressant activity

The company said the effect of BNC210 on neurite outgrowth was more potent than brain derived neurotrophic factor (BDNF) one of the body's endogenous neurotrophins (nerve growth factors) and BNC210 was particularly effective in reducing the symptoms of stress.

Bionomics said the effect of BNC210 had been shown in animal models of heightened stress, induced either pharmacologically or environmentally.

Dr Rathjen said "the findings of this independent research provide encouraging support for the clinical development of BNC210 which has all of the important properties necessary for successful treatment of anxiety and depression".

"In particular BNC210 works well in situations involving stress, including in the recent phase Ib trial where BNC210 reduced panic symptoms and speeded recovery following the administration of the stress and panic-inducing agent [cholecystokinin]," Dr Rathjen said.

"BNC210 shows antidepressant activity in animal models of depression and it also potently promotes neurite outgrowth, an indication of neurogenic activity," Dr Rathjen said.

"An advantage of BNC210 is that it is faster acting than marketed drugs such as Prozac," Dr Rathjen said.

Bionomics fell half a cent or 0.7 percent to 69.5 cents with 1.2 million shares traded.

ACRUX

Acrux says European Medicines Agency veterinary committee has given a positive recommendation for its Recuvyra transdermal pain product for dogs developed for Elanco.
Acrux said Recuvyra was the first animal health product using its drug delivery technology.
Acrux chief financial officer Jon Pilcher told Biotech Daily that the technology was “a syringe-like application for penetrating dog fur” but did not give details.
Mr Pilcher said it was not a spray or roll-on application.
Acrux said the Committee for Medicinal Products for Veterinary Use recommended the granting of a marketing authorization for Recuvyra.
The company said Recuvyra contained the active ingredient Fentanyl for the control of pain associated with orthopaedic and soft tissue surgery in dogs.
Acrux said the product was developed under licence by Elanco, the animal health division of Eli Lilly and Co and it would receive a milestone payment of $500,000 from Eli Lilly on formal market authorization, which was expected within 90 days, followed by royalties on sales of the product.
The company said Eli Lilly had an exclusive worldwide licence to develop and commercialize animal health products using its technology to deliver drugs through the skin.
Acrux chief executive officer Dr Richard Treagus said the company was “delighted that Lilly’s development efforts have been rewarded with this positive opinion for the marketing authorisation of Recuvyra, the first of a range of potential veterinary products utilising the Acrux transdermal technology”.
“It is expected that marketing authorisation of Recuvyra will follow within the next 90 days,” Dr Treagus said.
“Following the recent launch by Lilly of Axiron in the United States, this adds further momentum to Acrux’s partnership with Lilly”, Dr Treagus said.
Acrux was up one cent or 0.3 percent to $3.50.

PHYLOGICA

Phylogica says it will collaborate with Dutch biopharmaceutical firm Pepscan Therapeutics to evaluate their complementary peptide technologies for drug discovery
Phylogica said that Pepscan was focused on protein mimicry technology and under the research collaboration and option agreement Pepscan would use its chemical linkage of peptides onto scaffolds (Clips) technology to optimize Phylogica Phylomer drug candidates against the CD40-ligand for the treatment of rheumatoid arthritis, autoimmune diseases and inflammatory disorders.
Phylogica said it would also have an option to expand the collaboration to include an undisclosed number of other disease-associated targets.
The company said that financial details were not disclosed
Phylogica chief executive officer Dr Paul Watt said that Pepscan had “world-class technology for improving the activity and stability of therapeutic peptides”.
“We strongly believe that the combination of Pepscan’s Clips technology with our potent Phylomer peptides will further enhance our ability to generate breakthrough drug candidates against difficult-to-treat diseases,” Dr Watt said.
Pepscan chief executive officer Dr Wim Mol said the two companies recognized the “perfect match of our combined technologies [with] Phylogica providing truly innovative peptide leads and Pepscan applying its … Clips technology for peptide lead optimization”.
Dr Mol said the agreement was “the start of a promising and productive relationship”.
Phylogica was up 0.1 cents or 1.5 percent to 6.8 cents with 36.4 million shares traded.

STARPHARMA

Starpharma says Okamoto Industries will market Vivagel-coated condoms in Japan.
Starpharma said Okamoto was the market leader for condoms in Japan, the world's second largest condom market.
The company said it would receive royalty and milestone payments and Okamoto would undertake registration and launch of the Vivagel-branded product in Japan.
Starpharma chief executive officer Dr Jackie Fairley said Okamoto had both the market-leading position and the regulatory and commercial strengths to maximize value creation for the Vivagel-coated condom in Japan.
The company said Okamoto was Japan's leading marketer of condoms with about 60 percent of the Japanese condom market, estimated to be worth US500 million in 2009.
Starpharma said that Okamoto held strong market positions in Korea, Taiwan, Malaysia, Singapore and China.
Okamoto said the Vivagel-coated condom was "an excellent technological advance and we look forward to progressing to market launch with this exciting new product".
Starpharma was up 7.5 cents or 5.6 percent to $1.415 with 2.8 million shares traded.

HEALTHLINX

Healthlinx says the European Patent Organisation has granted a patent for the AGR2 biomarker being evaluated for its Ovplex ovarian cancer test.
Healthlinx said Europe was the first jurisdiction to award a patent for the blood borne biomarker.
Healthlinx said it was "the first group in the world to prove that AGR2 is secreted and circulated in human plasma" (BD: Feb 10, 2010).
The company said that in the first part of the second multi-centre multi-national study AGR2 had shown evidence that it increased the performance of the Ovplex panel.
Healthlinx chief executive officer Nick Gatsios said the patent was "recognition of the novelty of AGR2".
"This is important as AGR2 is a valuable Healthlinx asset and this is the first granted patent for the biomarker," Mr Gatsios said.
"We expect to follow up with granted patents in other jurisdictions for AGR2," Mr Gatsios said.
"This is now the second patent that has been granted that surrounds our Ovplex technology and our pipeline targets which just further strengthens our IP position in this space," Mr Gatsios said.
Healthlinx said its recent release of clinical data showed that an initial analysis of its ovarian cancer biomarker study "confirmed the superior diagnostic performance of the Ovplex technology compared with CA125 alone" (BD: Feb 15, Mar 9, 2011).
Healthlinx was up 0.6 cents or 13.0 percent to 5.2 cents.

CHEMGENEX

Cephalon says the acceptances for its Chemgenex takeover bid has increased to 212,488,838 shares (67.77%) and 9,371,603 listed options (85.59%).
The bid is conditional on receiving 90 percent of shares and options and trading over the past fortnight appeared to be from one buyer acquiring or attempting to acquire more than 10 percent of the listed options.
Cephalon can remove conditions at any time.
Chemgenex was unchanged at 69 cents.

NOVOGEN

Novogen says it has closed its asset purchase agreement with Marshall Edwards selling its Isoflavone-based intellectual property portfolio for shares currently worth $4 million.
Novogen said it had received 1,000 shares of class A preferred stock convertible into 4,827 shares of Marshall Edwards common stock for an aggregate of 4,827,000 shares.
The company said the shares were valued at $US4 million based on the volume weighted average price over the 20 trading days prior to the date of the execution of the sale.
Novogen said that should any of the acquired assets achieve a statistically significant result in a phase II clinical trial or the first patient was enrolled in a phase III clinical trial, each share of class A preferred stock not already converted would be convertible into 9,654 shares of Marshall Edwards common stock.
Novogen chairman William Rueckert said the consolidation of the assets with the management team at Marshall Edwards would “give the Novogen shareholders an excellent opportunity to benefit from the future development of these drug candidates”.
Marshall Edwards chief executive officer Dr Dan Gold said the closing of the transaction “gives us, once and for all, the flexibility to develop and partner these valuable assets and enables us to explore other potential drug candidates and indications within the portfolio”.
“We look forward to entering the clinic with two next-generation drug candidates, NV-143 and NV-344, this year,” Dr Gold said.
Novogen was up half a cent or two percent to 25.5 cents.

CBIO

CBio has told the ASX that it has had significant trial costs “with only minimal costs still to be incurred” and expected to raise further capital.
In its Appendix 4C quarterly report CBio said its net operating cash burn for the three months to March 31, 2010 was $3,023,000 with cash at the end of the quarter of $1,669,000 and receipts from customers of $42,000 and that it had a draw down equity facility with Springtree Special opportunity Fund with access to up to $8.75 million.
Separately CBio said it requested a trading halt “pending the release of a material announcement concerning capital raising”.
Trading will resume on May 12, 2011 or on an earlier announcement.
CBio last traded at 55 cents.

SOLAGRAN

Solagran says proceedings against Melbourne’s The Age newspaper have been finalized.
Solagran said it instructed its solicitors to commence proceedings against The Age in relation to an article published on February 15, 2008.
Solagran said that today, The Age published an 'Apology to Dr Vagif Soultanov’.
The Age said that on February 15, 2008 it published an article entitled 'Solagran directors bought up stock'.
“The article may have suggested to some readers that Dr Soultanov, as a director of Solagran, breached the disclosure rules by purchasing Solagran shares prior to the disclosure of price-sensitive information to the Australian stock exchange. It was not The Age's intention to convey this meaning. The Age apologizes to Dr Soultanov,” The Age said.
Solagran said that with the exception of the published apology all terms of the settlement were confidential and it was satisfied the matter was at an end.
Solagran was up half a cent or 3.7 percent to 14 cents.

OMI HOLDINGS

OMI has requested a trading halt “pending the release of an announcement in relation to a proposed acquisition and capital raising”.

Trading will resume on May 12, 2011 or on an earlier announcement.

OMI last traded at 0.6 cents.