



Biotech Daily

Tuesday June 7, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: MESOBLAST UP 9%
- GENETIC TECHNOLOGIES DOWN 9%**
- * **CIRCADIAN VEGF 'BIOMARKER FOR AVASTIN RESISTANCE'**
- * **HELICON VIBROVEIN SYRINGE DEVICE 'ON TIME, ON BUDGET'**
- * **PETER MAC'S DR WEN QIU WINS \$46k PREMIER'S, SMORGON PRIZES**
- * **QUEENSLAND UNIVERSITY LINKS GLYCOGEN STRUCTURE, DIABETES**
- * **AVITA'S RECELL DEMONSTRATED IN GERMAN MEETING**
- * **STIRLING LOSES NEW CEO, TO LIST ON AIM, ISSUE 2.6bn SHARES**

MARKET REPORT

The Australian stock market fell 0.06 percent on Tuesday June 7, 2011 with the S&P ASX 200 down 2.8 points to 4566.3 points.

Seven of the Biotech Daily Top 40 stocks were up, 18 fell, eight traded unchanged and seven were untraded.

Mesoblast was the best, up 66 cents or 8.7 percent to \$8.21 with 877,387 shares traded, followed by LBT up 8.3 percent to 5.2 cents with 9,400 shares traded.

QRX was up 7.3 percent; Virax was up 4.8 percent; Living Cell rose 2.4 percent; with Clinuvel up 1.1 percent.

Genetic Technologies led the falls, down two cents or 9.1 percent to 20 cents with 778,236 shares traded.

Benitec, Prana and Viralytics lost more than five percent; Bionomics, Biota and Impedimed fell four percent or more; Cellmid and Sunshine Heart were down more than three percent; Alchemia, Pharmaxis, Sirtex and Universal Biosensors shed more than two percent; with Acrux, Cochlear, Phylogica, Prima, Resmed, Starpharma and Tissue Therapies down one percent or more.

CIRCADIAN TECHNOLOGIES

Circadian says resistance to Avastin is associated with increases in plasma vascular endothelial growth factor (VEGF) C and D concentrations.

Circadian said its collaborators at the University of Texas MD Anderson Cancer Center presented a poster entitled 'The Association of Alternate VEGF Ligands with Resistance to Anti-VEGF Therapy in Metastatic Colorectal Cancer' at the American Society of Clinical Oncology meeting in Chicago.

The poster presentation is available at www.circadian.com.au and an abstract is at http://abstract.asco.org/AbstView_102_75045.html.

Circadian said that resistance to Avastin was a frequent occurrence in the treatment of certain cancers with resulting loss of response and disease progression.

The company said the study was led by MD Anderson's Dr Christopher Lieu and Dr Scott Kopetz who showed that increases in VEGF-family markers in patients with metastatic colorectal cancer were associated with Avastin resistance.

Circadian said that, in particular, VEGF-C increases were seen in patients prior to and at the time of disease progression while receiving Avastin and chemotherapy.

Circadian head of development Mark Sullivan said the clinical data provided "an important insight into the role that VEGF-C plays in the development of Avastin resistance".

"The findings are supportive of our strategy for combining our VEGF-C antibody, VGX-100, with Avastin to seek better outcomes for patients," Mr Sullivan said.

"The data also provide further rationale for the development of VEGF-C and/or VEGF-D based biomarker tests to monitor cancer therapy," Mr Sullivan said.

Dr Kopetz said the data showed that the VEGF-family ligands, other than VEGF itself, were associated with Avastin-containing chemotherapy resistance in patients with metastatic colorectal cancer.

"We are planning prospective confirmatory studies to further evaluate and validate these findings," Dr Kopetz said.

Circadian chief executive officer Robert Klupacs said there was an "ever increasing amount of clinical data validating VEGF-C and D as important therapeutic targets".

"We look forward to continuing our excellent collaboration with Dr Kopetz and his team at MD Anderson," Mr Klupacs said. "We remain on track to commence clinical trials in cancer patients with our VEGF-C antibody VGX-100."

Circadian said its wholly-owned subsidiary Vegenics owned the worldwide rights to an extensive intellectual property portfolio covering angiogenesis targets VEGF-D, VEGF-C and the receptor protein VEGFR-3.

Circadian was untraded at 59.5 cents.

HELICON GROUP

Helicon says testing and adjustments to its Vibrovein syringe device is on time and on budget

Helicon said Vibrovein was an electronic device designed to increase clinician accuracy, reduce patient pain and improve drug delivery from syringes.

The company said it was working with Invetech on development of the Vibrovein device and hoped to begin licencing discussions with device companies by the end of 2011.

Helicon managing director Fabio Pannuti told Biotech Daily that high speed photography had assisted in validating the clinical properties of the Vibrovein device.

Mr Pannuti said the company needed to secure its intellectual property around the developments in order to provide greater detail.

Helicon was unchanged at three cents.

VICTORIA PREMIER'S AWARD, SMORGON FAMILIES AWARD

Victoria's Premier Ted Baillieu has awarded former Peter MacCallum Cancer Centre researcher Dr Wen Qiu the \$16,000 Premier's Award for Health and Medical Research.

A State government media release said Mr Baillieu presented Dr Qiu with the prize in recognition of her ground-breaking research at the Peter MacCallum Cancer Centre and the University of Melbourne into how breast and ovarian cancers spread.

Mr Baillieu said Dr Qiu was an "up-and-coming world expert in her field of cancer research" and had won the award from a field of highly talented young Victorian health and medical researchers.

Mr Baillieu said that for her as part of her doctorate of philosophy, Dr Qiu "took an innovative approach and concentrated on the tissues surrounding the cancer cells and the role of chemical additions to the DNA chain".

"Dr Qiu made the important discovery that the tissue surrounding the cancer cells contributed greatly to cancer formation," Mr Baillieu said.

The media release said the Peter MacCallum Cancer Centre received the \$30,000 Jack and Robert Smorgon Families Award for its role as the institution supporting the research.

"Victoria's medical, research and education institutions offer tremendous opportunities and support for researchers to conduct vital health and medical projects," Mr Baillieu said.

The State Government said three commendees were each presented with \$8,000.

Monash Medical Centre Prince Henry's Institute's Dr Amanda Rickard was awarded \$8,000 for her research into the mineralocorticoid receptor, which has provided insights into heart failure.

Royal Children's Hospital's Dr Andrew Steer was commended for showing that a vaccine under clinical trials in Australia could have efficacy against group A streptococcal disease.

Monash Institute of Medical Research's Dr Michelle Tate was commended for research which provided a detailed understanding of the immune defences involved in the early recognition and destruction of influenza virus.

The media release said the awards recognized the achievement by Victoria's early career health and medical researchers.

UNIVERSITY OF QUEENSLAND

The University of Queensland says its scientists working with a team from China's Wuhan University have identified a link between the structure of glycogen and diabetes.

The University of Queensland said glycogen in liver comprised two sorts of molecules beta particles and dozens of these joined together, known as alpha particles.

A media release from the university said that laboratory studies had shown diabetic mice had lower levels of alpha particles compared to healthy mice.

The University said that having fewer alpha particles would impair the body's means of regulating blood sugar levels against glucose spikes.

The University said Prof Robert Gilbert was the lead scientist in the project and was working for its Queensland Alliance for Agriculture and Food Innovation.

Prof Gilbert said the latest findings were the result of molecular science researchers using new technology.

"This discovery sheds new light on diabetes," Prof Gilbert said.

"It suggests that there is a molecular mechanisms involved in the lack of control of blood sugar which characterizes diabetes," Prof Gilbert said.

"This new insight opens the way to potential new means of diagnosis and clinical intervention," Prof Gilbert said.

AVITA MEDICAL

Avita says it has held a symposium on its Recell wound treatment to clinicians at the Cosmedica Congress for Aesthetic and Surgical Medicine in Bochum, Germany.

Avita said the symposium included demonstrations of Recell Spray-On Skin from its initial introduction for the treatment of severe burns to reconstructive surgery such as scar remodeling and dermatology including the treatment of pigmentation variation and acne. The company said that a live workshop procedure using Recell in combination with CO2 fractional laser in treating existing hypertrophic dyspigmented scars was conducted by the chief of hand and plastic surgery at Oldenburg's Evangelisches Krankenhaus Prof Reimer Hoffmann.

Avita chief executive officer Dr William Dolphin said that fractional lasers were widely used for dermal defects but had "many serious shortcomings".

"Recell provides significant advantages for the patient and clinician over the use of laser alone, including improved aesthetic outcomes and recovery times," Dr Dolphin said.

Avita was up half a cent or 3.7 percent to 14 cents.

STIRLING PRODUCTS

Stirling says it won't be appointing Jeremy Cocks as chief executive officer despite last month's conditional appointment (BD: May 6, 2011).

Stirling did not elaborate on the failure to appoint the former head of marketing and technical services at Novartis and Pfizer director but said it was "in discussion with other parties with regard to this position".

The company said it was attempting to sell its Sydney properties.

Stirling said it was hoping to list on London's Alternative Investment Market in a dual listing with the ASX to benefit from "the more extensive and in depth UK and European investment industry coverage of the pharmaceutical and healthcare industry".

Separately, Stirling said it would seek ratification at an extraordinary general meeting of the prior issue of 115,341,022 shares, 155,807,018 unlisted options and 458,400 convertible notes converting to 114,5600,000 shares.

The company said it would propose a series of resolutions to approve the issue of 2,602,666,666 shares with one-for-two attaching options to raise \$10,994,000 along with convertible notes to raise \$3 million.

Last year, Stirling held an annual general meeting seeking to issue 1,616,000,000 shares but withdrew three of the 11 resolutions prior to the meeting (BD: Nov 2, 2010).

Stirling was unchanged at 0.3 cents with 12.7 million shares traded.