



Biotech Daily

Tuesday July 12, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: LBT UP 34%; ANTISENSE DOWN 10%**
- * **PHARMAXIS RESUBMITS BRONCHITOL PBS APPLICATION**
- * **BLUECHIIP COMPLETES PROTOTYPE TESTING**
- * **CORRECTION: CELLESTIS**
- * **STARPHARMA 'ENCOURAGED' BY AGRICULTURAL CHEMICAL STUDIES**
- * **TACITURN ALCHEMIA REQUESTS TRADING HALT**
- * **GENETIC TECHNOLOGIES REQUESTS CAPITAL RAISING HALT**
- * **ANTISENSE ADDS JAPANESE PATENT, CANADA ALLOWANCE NOTICE**
- * **AUSTRALIAN ETHICAL TAKES 12% OF AVITA**
- * **IMPEDIMED APPOINTS DR CHERRELL HIRST DEPUTY CHAIR**
- * **LIVING CELL LOSES DIRECTOR SUSANNE CLAY**

MARKET REPORT

The Australian stock market fell 1.9 percent on Tuesday July 12, 2011 with the S&P ASX 200 down 86.9 points to 4496.4 points. Six of the Biotech Daily Top 40 stocks were up, 17 fell, 12 traded unchanged and five were untraded. All three Big Caps fell.

LBT was best, up 1.7 cents or 34 percent to 6.7 cents with 81,472 shares traded, followed by Genetic Technologies up six cents or 22.6 percent to 32.5 cents with 1.6 million shares traded, Virax up 4.55 percent to 2.3 cents, Nanosonics up 3.75 percent to 83 cents, with Mesoblast and Starpharma up by less than one percent.

Antisense led the falls, down 0.1 cents or 10 percent to 0.9 cents with 15.8 million shares traded, followed by Cellmid down 7.7 percent to 2.4 cents with 1.3 million shares traded.

Psivida lost 6.7 percent; Sunshine Heart was down 5.6 percent; Heartware fell 4.7 percent; QRX was down 3.9 percent; Bionomics, Biota, Clinuvel and Cochlear shed more than two percent; with Acrux, Circadian, Impedimed, Living Cell, Patrys, Pharmaxis and Sirtex down more than one percent.

PHARMAXIS

Pharmaxis says it has resubmitted its application for Bronchitol for cystic fibrosis for reimbursement on the Australian Pharmaceutical Benefits Scheme.

In April, Pharmaxis said the March meeting of the Pharmaceutical Benefits Advisory Committee (PBAC) refused the reimbursement funding, due to “uncertainties in where Bronchitol will fit in clinical practice and consequent difficulties in identifying the right comparator in one clinical setting that leads to uncertain cost-effectiveness” (BD: Apr 21, 2011).

The company said at that time that a resubmission had been prepared to address the issues raised by the Committee and would be made at the earliest opportunity.

Pharmaxis chief executive officer Dr Alan Robertson said in April that “the majority of new drugs take at least two submissions before being recommended for PBS listing”.

Today, Pharmaxis said the re-application at its November meeting and if approved Bronchitol would then be subject to consideration by the Pharmaceutical Benefits Pricing Authority and the Australian Government.

“The company is committed to a successful listing of this new treatment and has worked closely with the PBAC secretariat in dealing with issues raised by the Committee,” Dr Robertson said.

“In addition Pharmaxis has been working with the cystic fibrosis community to provide firm evidence on the use of [cystic fibrosis] drugs so that an unambiguous understanding of the position of Bronchitol in cystic fibrosis emerges and that the appropriate comparator for patients not responding to currently available therapies can be agreed.” Dr Robertson said.

“This is a challenging climate for new PBS submissions,” Dr Robertson said.

Pharmaxis said that Bronchitol was awarded orphan drug designation in Australia in April 2009 for the treatment of patients with cystic fibrosis to improve lung function and reduce exacerbations and approved for marketing by the Therapeutic Goods Administration in February this year (BD: Feb 8, 2011).

The company said Australia had about 2,800 people living with cystic fibrosis.

Pharmaxis fell 1.5 cents or 1.6 percent to 92.5 cents.

BLUECHIIP

Bluechiip says it has completed final testing of a batch of prototype tracking chips and assembled tags from Geneva-based manufacturer ST Microelectronics.

Bluechiip said the testing included thermal cycling, taking the tags from -196°C to room temperature and back, continuous storage in liquid nitrogen at -196°C, gamma irradiation and process validation and verified the final process design and tag performance characteristics.

Bluechiip chief technology officer Dr Jason Chaffey said the results were “a significant technical milestone and provide further validation of the unique and key features of the company's Bluechiip technology”.

Bluechiip chief executive officer Brett Schwarz said the testing provided “further evidence that our technology is absolutely solid and we can now move forward with confidence that commercial product can be manufactured to scale and meet expected market demand”.

The company said the tags comprised a Micro-Electro-Mechanical Systems (MEMS) chip attached to an antenna, communicating with its proprietary reader system and software and the testing allowed the finalization of the tag design and product specification.

Bluechiip was untraded at 18 cents.

CELLESTIS

Yesterday's article on Cellectis reported the company had a waiver for its proposed seven cent dividend from the Australian Taxation Office.

Cellectis chief executive officer Dr Tony Radford told Biotech Daily today that the waiver was from Qiagen to pay the dividend prior to a firm ruling from the ATO.

The mistake was made by the company and for the second correction in a row, no sub-editors were hurt in making it.

Cellectis was unchanged at \$3.76 with 1.4 million shares traded.

STARPHARMA HOLDINGS

Starpharma says it is encouraged by studies applying its Priostar dendrimer technology to improve agricultural chemicals.

Starpharma said the studies demonstrated improvements including the ability to increase the effectiveness of agricultural chemicals such as glyphosate, the most commonly used herbicide also known by the trade name Roundup, with annual sales of more than \$US5 billion.

The company said its agricultural chemicals program had explored a number of key off-patent agents in combination with its dendrimer technology including, the insecticide imidacloprid with annual sales of \$US1 billion and the herbicide trifluralin with annual sales of \$US300 million.

Starpharma chief executive officer Dr Jackie Fairley said the company's agricultural chemicals program focused on "reformulating known generic agents with its proprietary dendrimers to improve their performance".

"This offers the potential for reduced frequency and amount of application, with the potential to reduce the chemicals' environmental impact," Dr Fairley said.

Starpharma said the Priostar dendrimers were well-placed to capture several opportunities in the \$US40 billion agricultural chemical sector as the market continued to seek new technologies to improve efficiency and enhance performance.

Starpharma said its Priostar dendrimers offered solubility enhancement for more concentrated formulations; improved herbicidal activity as measured by brownout or the rate of vegetation dying off; and modification of soil penetration properties.

The company said that fertilizers and chemicals and their application were a significant cost for farmers and that more effective chemical formulations could reduce the expense of a crop treatment cycle and the need for reapplication, potentially improving the environmental profile of such products.

Starpharma said key patents had been allowed or granted by the US and other countries for broad protection of the Priostar dendrimer technology, relevant to both agrochemical and industrial applications.

Starpharma was up one cent or 0.6 percent to \$1.66 with 1.1 million shares traded.

ALCHEMIA

Alchemia has requested a trading halt pending an announcement, but provided no information on the nature of the announcement.

ASX-listed companies generally provide some detail of the nature of the announcement.

Alchemia has been long-awaiting US Food and Drug Administration approval of its synthetic heparin Fondaparinux since it first filed its application (BD: May 11, 2009).

Trading will resume on July 14, 2011 or on an earlier announcement.

Alchemia last traded at 61.5 cents.

GENETIC TECHNOLOGIES

Genetic Technologies has requested a trading halt pending an announcement “to consider a proposed capital raising”.

In its most recent Appendix 4C Quarterly Report for the three months to March 31, 2011, Genetic Technologies said it had cash of \$7.2 million a 116 percent increase over the balance at June 30, 2010, with revenue of \$2,024,729 for the three months.

Trading will resume on July 14, 2011 or on an earlier announcement.

Genetic Technologies was up six cents or 22.6 percent to 32.5 cents with 1.6 million shares traded.

ANTISENSE THERAPEUTICS

Antisense says it has been granted a Japanese patent covering ATL1101 that targets the insulin-like growth factor I receptor (IGF-1R) with potential applications for cancer.

Antisense said it also had received a Canadian notice of allowance for ATL1101 and both patents were entitled ‘Modulation of Insulin Like Growth Factor I Receptor Expression’ and protect the use of ATL1101 until 2024.

The company said its ATL1101 intellectual property portfolio included corresponding granted patents in the US, Australia and New Zealand which run to 2024 and a European patent application under prosecution with a coinciding term.

Antisense said that in the US, Australia and Europe, granted claims to ATL1101 could be extended up to a further five years once the drug was registered.

The company said that in the US, ATL1101 was also covered by a patent application entitled ‘Modulation of IGF1R expression in cancer’ covering ATL1101 and other IGF-IR targeting antisense drugs in prostate cancer to 2029.

Antisense said it had an exclusive license to ATL1101 and other antisense technology and manufacturing patents and applications from its US partner Isis Pharmaceuticals.

Antisense fell 0.1 cents or 10 percent to 0.9 cents with 15.8 million shares traded.

AVITA MEDICAL

Australian Ethical Smaller Companies Trust has increased its share-holding in Avita from 26,050,000 shares (10.54%) to 27,688,264 shares (11.62%) to.

Australian Ethical said it acquired the 1,638,264 shares for \$190,944 or an average price of 11.7 cents a share.

Avita fell half a cent or 4.2 percent to 11.5 cents.

IMPEDIMED

Impedimed has appointed non-executive director Dr Cherrell Hirst as deputy chair of the board.

Impedimed said that Dr Hirst had served on the board since March 24, 2005.

The company said Dr Hirst was a medical doctor and was a leading practitioner in breast cancer diagnosis.

Impedimed said that Dr Hirst was also the deputy chair and chief executive officer of Queensland Bio-Capital Funds (QBF) and is a board member of other companies including Medibank Private.

Impedimed chairman Mel Bridges said Dr Hirst had “extensive and highly respected achievements in both commercial and not-for-profit organizations”.

Impedimed fell one cent or 1.55 percent to 63.5 cents.

LIVING CELL TECHNOLOGIES

Living Cell says Susanne Clay has resigned as an alternate director to Prof Robert Elliott, effective from July 11, 2011.

Last month, Living Cell lost the services of its chief executive officer Dr Ross Macdonald who was appointed in September 2010 (BD: Jun 24, 2011).

Prof Elliott is the company's executive chairman and acting chief executive officer.

Living Cell fell 0.1 cents or 1.6 percent to 6.2 cents.