



Biotech Daily

Tuesday July 19, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH FLAT: CELLMID UP 5%; PHYLOGICA DOWN 8%**
- * **VAGINOSIS-HIV STUDY IMPLICATIONS FOR STARPHARMA'S VIVAGEL**
- * **WEHI, ABBOTT BH3 MIMETIC BREAST CANCER TREATMENT**
- * **BIO-MELBOURNE HAS GREENS' ADAM BANDT FOR BREAKFAST**
- * **NEUREN RIGHTS ISSUE RAISES \$3.8m OF HOPED FOR \$8m**
- * **VIRAX RAISES \$504k, TO PLACE \$2.5m**
- * **CENTAURUS TAKES 9% OF CELLESTIS**
- * **JULY BIO-BEERS**

MARKET REPORT

The Australian stock market slipped 0.09 percent on Tuesday July 19, 2011 with the S&P ASX 200 down 3.9 points to 4468.1 points.

Eight of the Biotech Daily Top 40 stocks were up, 11 fell, 10 traded unchanged and 11 were untraded.

Cellmid was the best, up 0.1 cents or 4.55 percent to 2.3 cents with 283,350 shares traded, followed by Acrux up 3.9 percent to \$4.02 with 1.1 million shares traded.

Bionomics, Patrys and Sunshine Heart climbed more than two percent; Prima was up 1.8 percent; with Clinuvel, Cochlear, CSL and Mesoblast up by less than one percent.

Phylogica led the falls, down 0.6 cents or 7.9 percent to seven cents with 1.9 million shares traded, followed by Alchemia down 7.6 percent to 67 cents with 452,237 shares traded.

Bioniche and Tissue Therapies lost more than two percent; with Anteo, Nanosonics, Resmed, Starpharma and Viralytics down one percent or more.

STARPHARMA

Starpharma says that a study showing that men were more likely to contract HIV from their female partners if the women had bacterial vaginosis has implications for Vivagel. Starpharma has been developing Vivagel for sexually transmitted diseases and recently concluded a dose-ranging trial for bacterial vaginosis.

The University of California-led study said that "normalization of vaginal flora in HIV-1 infected women could mitigate female-to-male HIV-1 transmission".

The company said that the study of 2,236 HIV-1 seronegative men in Sub-Saharan Africa showed that they were three times more likely to contract HIV from their female partners if the women also had bacterial vaginosis in the three months before the men became infected.

Starpharma said the findings led by the University of California San Francisco's Department of Obstetrics, Gynecology and Reproductive Sciences Prof Craig Cohen were reported at the International HIV/AIDS Conference in Rome yesterday.

An abstract of the findings in an article entitled 'Association of bacterial vaginosis with female-to-male HIV-1 transmission among HIV-1 discordant couples in Sub-Saharan Africa' is available at <http://pag.ias2011.org/abstracts.aspx?aid=1862>.

The abstract said that bacterial vaginosis increased HIV-1 'shedding' or the movement of virus cells from the female genital tract but the impact on transmission to male partners had not been assessed.

"This study is the first to demonstrate an association between [bacterial vaginosis] in HIV-1 infected female partners and their risk of HIV-1 transmission to their male partners," the abstract said.

Starpharma chief executive officer Dr Jackie Fairley said the study was "relevant to Starpharma's bacterial vaginosis program for Vivagel, both for acute treatment and also for the important prevention of recurrence application".

"No doubt this finding will further increase interest in bacterial vaginosis, both for consumers and in a public health sense," Dr Fairley said.

"Prof Craig Cohen has previously led a clinical study of Starpharma's Vivagel and we congratulate him and his team on this important finding," Dr Fairley said.

In May, Starpharma said its 132-patient dose-ranging phase II trial of Vivagel for bacterial vaginosis showed efficacy of the 1% dose compared to placebo (BD: May 23, 2011). Starpharma said at that time that Vivagel met its primary endpoint with 1% of the active ingredient SPL7013, dosed once daily for seven days, resulting in 74 percent of patients achieving clinical cure two to five days after completion of therapy compared to 22 percent in the placebo group ($p = 0.0002$).

The company said that two to three weeks after completion of therapy, 46 percent of patients achieved clinical cure of bacterial vaginosis [BV] compared to 12 percent for the placebo ($p = 0.006$) indicating that Vivagel provided lasting cure in a significant proportion of the 33 women in that cohort.

Dr Fairley told Biotech Daily in May that it was important to do minimum harm to Lactobacilli while causing maximum harm to the pathogenic bacteria such as Gardnerella, Prevotella and Bacteroides.

"Nuking everything is not a good outcome," Dr Fairley said. "It can cause secondary infections such as candida," Dr Fairley said.

Dr Fairley said bacterial vaginosis was caused by multiple kinds of bacteria and it was important to kill those strains but not "the good bacteria like Lactobacilli".

The company said existing treatments had shortcomings in terms of side-effects or tolerability, high levels of antibiotic resistance and incompatibility with condoms.

Starpharma fell 1.5 cents or one percent to \$1.555.

THE WALTER AND ELIZA HALL INSTITUTE FOR MEDICAL RESEARCH

The Walter and Eliza Hall Institute for Medical Research says a collaboration with Abbott Laboratories has “shown promise” for their BH3 mimetic for breast cancer in mice.

In an article entitled ‘Sensitization of BCL-2–expressing breast tumors to chemotherapy by the BH3 mimetic ABT-737’ published in the Proceedings of the national Academy of Sciences the researchers said their “findings provide in vivo evidence that BH3 mimetics can be used to sensitize primary breast tumors to chemotherapy and further suggest that elevated BCL-2 expression constitutes a predictive response marker in breast cancer”.

An abstract is at: <http://www.pnas.org/content/early/2011/07/13/1104778108.abstract>.

A Walter and Eliza Hall Institute media release said that ABT-737 was one of a new class of anti-cancer agents called BH3 mimetics that targeted and neutralized the Bcl-2 proteins in cancer cells, which ‘protected’ the cells after they had been damaged by chemotherapy drugs and prevented the cancer cells from dying.

WEHI said that ABT-737 and the orally-available BH3 mimetic navitoclax were discovered by Abbott scientists and were based on the discovery made at the Walter and Eliza Hall in the 1980s that Bcl-2 was a pro-survival protein responsible for preventing cell death in healthy and diseased cells.

The Institute said that navitoclax was in phase II clinical trials to establish its efficacy in treating some types of leukaemia and lymphoma and was being jointly developed by Abbott and Genentech.

WEHI said Prof Geoff Lindeman and Prof Jane Visvader led the research with colleagues Dr Samantha Oakes and Dr François Vaillant and they had shown that the BH3 mimetics showed promise for treating breast cancers, including ‘triple negative’ cancers.

WEHI said triple negative breast cancers test negative for oestrogen, progesterone and HER2 receptors and could not be treated with hormone therapy or trastuzumab.

WEHI said triple negative cancers accounted for up to 20 percent of all breast cancers and were typically aggressive with a poor prognosis.

Prof Lindeman said that early results suggest navitoclax could provide new hope for treating some breast cancers that are not candidates for other currently available treatments.

“ABT-737 targets proteins from the Bcl-2 family, which are found at high levels in up to 70 percent of breast cancers,” Prof Lindeman said.

“We have shown that breast tumors that have high levels of Bcl-2 respond well to treatment with ABT-737 when used in combination with a conventional chemotherapy drug,” Prof Lindeman said.

Prof Visvader said combined treatment with ABT-737 and chemotherapy drug docetaxel in mice transplanted with human breast cancer cells improved tumor response and survival rates, when compared to docetaxel as a single agent.

ABT-737 alone was not effective in treating cancers with high levels of Bcl-2, nor was it effective in treating cancers that did not express Bcl-2, WEHI said.

“The research suggests that these agents make the cancer cells more vulnerable to chemotherapy,” Prof Visvader said.

“We are particularly excited that the research shows a good response in Bcl-2-expressing breast cancer, including basal-like breast cancer, which is often the most aggressive and hardest to treat,” Prof Visvader said.

Prof Lindeman said the research could lead to the development of new treatment regimens that make resistant and difficult-to-treat breast cancers more vulnerable to conventional chemotherapy treatments.

“We hope that these results could see a clinical trial of navitoclax for treating breast cancer with high Bcl-2 levels within the next few years,” Prof Lindeman said.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says the Greens Member of the House of Representatives for Melbourne, Adam Bandt, will be the guest speaker at its August 9, 2011 Bio-Breakfast.

The Network said Mr Bandt would discuss the proposed carbon tax and the role of environmental biosciences in addressing climate change and give the Greens' view of research and development and innovation commercialization support.

The Network said the issues of gene patenting, bio-fuels, agricultural biosciences, health reform and health prevention would also be covered.

The Bio-Melbourne Network said Mr Bandt "might well be known locally as the unofficial Member for Biotechnology and Research".

The Network said the Federal electorate of Melbourne was home to about 23 percent of Australia's biotechnology and medical research talent and was the largest electoral concentration of biotechnology and medical research power in the nation and Mr Bandt "knows it".

The Network said the Greens held "unprecedented power in both the Victorian and the Commonwealth parliaments ... thus their understanding of the biotechnology sector and the competitive global environment in which we operate is one that the sector must actively and conscientiously manage to ensure a secure political landscape".

"Cross bench support for the research and development tax legislation is critical and the Greens have recognized the importance of this legislation to the sector throwing their weight behind the Bill ... expected to be passed this month," the Network said.

The Bio-Melbourne Network said Mr Bandt "was also front and centre of the Discoveries need Dollars campaign in May, opposing expected budget cuts to the NHMRC".

The Network's August 9 Bio-Breakfast will be held at the Australian Centre for the Moving Image with registration from 7:15am.

For more information or to book online go to: <http://biomelbourne.org/events/view/197>.

NEUREN PHARMACEUTICALS

Neuren says its rights issue received applications for 293,484,412 shares at 1.3 cents a share, raising \$3.8 million of the hoped for \$8 million (BD: Jun 14, 2011).

Neuren said the shares would be allotted today, July 19, 2011.

Neuren was unchanged at 1.5 cents.

VIRAX HOLDINGS

Virax says its one-for-two rights offer had applications for 22,897,442 shares at 2.2 cents a share, raising \$503,743.

Virax said it hoped to raise a further \$2,500,000 through placements by Alpha Securities.

In May Virax said it hoped to raise \$2 million through the rights issue and raise a further \$1 million through a placement (BD: May 25, 2011).

Virax was untraded at 2.3 cents.

CELLESTIS

Centaurus Capital says it has increased its substantial shareholding in Cellestis from 7,739,581 shares (8.05%) to 8,989,865 shares (9.35%).

Centaurus said it bought and sold mainly small parcels of shares between May 26 and July 13, 2011, between \$3.10 and \$3.75.

Cellestis was unchanged at \$3.75.

BIO-BEERS

Dr Chris Booth of Thomson Reuters and Ian Dixon of Genscreen have organized a Bio-Beers gathering at the Sebel Treasury Bar, on the corner of Collins Street and Queen Street, Melbourne, July 21, 2011 at 6-8pm.