



Biotech Daily

Wednesday July 20, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: LIVING CELL UP 13%; VIRAX DOWN 9%**
- * **ALLIED'S CORIDON, OHIO UNI WORK ON EPSTEIN-BARR VIRUS VACCINE**
- * **IDT WINS \$3.1m VICTORIA GRANT FOR INDIAN ANTI-CANCER DRUG**
- * **NEOPEC, EX-CEO DR PETER MOUNTFORD IN FAIR WORK CASE**
- * **QRX \$35m PLACEMENT, RIGHTS ISSUE**
- * **PROGEN'S PHARMASYNTH, PRIMA, PHOSPHAGENICS CONTRACTS**
- * **LIVING CELL APPOINTS DR BERNIE TUCH DIRECTOR, ROY AUSTIN CHAIR**
- * **MCRAE TECHNOLOGY HAS 13% OF ALLIED HEALTH**

MARKET REPORT

The Australian stock market rebounded 1.83 percent on Wednesday July 20, 2011 with the S&P ASX 200 up 81.6 points to 4549.7 points.

Fifteen of the Biotech Daily Top 40 stocks were up, eight fell, seven traded unchanged and 10 were untraded.

Living Cell was the best, up 0.8 cents or 12.9 percent to seven cents with 229,138 shares traded, followed by Pharmaxis up 8.65 percent to \$1.005 with 380,170 shares traded.

Bionomics climbed 6.6 percent; Prana was up 5.9 percent; Cochlear, Phosphagenics and Prima were up more than three percent; Alchemia, Biota and Starpharma rose more than two percent; with Anteo, Heartware and Tissue Therapies up more than one percent.

Virax led the falls, down 0.2 cents or 8.7 percent to 2.1 cents with 255,000 shares traded, followed by Psivida down 3.2 percent to \$4.50 with 400 shares traded.

Bioniche, Impedimed, Sunshine Heart and Viralytics lost more than two percent; with Patrys down 1.05 percent.

ALLIED HEALTHCARE GROUP

Allied Health says subsidiary Coridon has a research collaboration agreement with the Ohio State University to progress its Epstein-Barr virus project.

Allied said that Coridon was developing DNA vaccines for the prevention and treatment of a range of infectious diseases and cancers in humans.

Allied managing director Lee Rodne told Biotech Daily that although Uniquist held a larger portion of Coridon than Allied Health, Allied had the right to acquire up to 51 percent of Coridon.

The company said the Epstein-Barr virus was the cause of infectious mononucleosis or glandular fever in young adults and was linked with Burkitt's lymphoma, nasopharyngeal carcinoma, Hodgkin's disease, non-Hodgkin's lymphomas and lympho-proliferative diseases in the immune suppressed.

Allied said that Coridon's Epstein-Barr virus vaccine was designed to prevent lymphomas. The company said that having completed immunogenicity studies, Coridon would collaborate with Ohio State University Comprehensive Cancer Center director Dr Michael Caligiuri and the University's principal investigator Dr Robert Baiocchi to test the vaccine for prevention of lympho-proliferative disease in a pre-clinical model.

Coridon chief executive officer Neil Finlayson said the collaboration was "based on the use of our unique patented optimization technology".

"This technology is being applied to the development of DNA vaccines for a range of infectious diseases and cancer," Mr Finlayson said.

Mr Rodne said that the work of Coridon and its founder Prof Ian Frazer had "the potential to be globally significant" and that DNA vaccines offered "hope to combat some of the most common diseases".

Allied Health said that Coridon's technology had been developed to stimulate both a strong antibody response and a robust cellular immune response and was "particularly suited to the development of therapeutic vaccines".

The company said that Coridon was also working with the University of Washington on its herpes simplex virus 2 vaccine, with plans to start a phase I human trial in 2012.

Allied Health was unchanged at 5.5 cents with 3.6 millions shares traded.

IDT AUSTRALIA

IDT says it has won a \$3.1 million Victorian Government innovation grant to partner with India's Swift Pharmaceuticals to develop oral anti-cancer drugs.

IDT said the project would expand its capabilities in the development and commercialization of difficult-to-manufacture cytotoxic drugs, which the company said was a growing and high-value market segment.

The company said it would use active pharmaceutical ingredients made with Swift's novel manufacturing technology in the preparation of a generic alternative to a leading anti-cancer drug used for the treatment of adult patients with newly diagnosed brain cancer as well as maintenance treatment.

IDT said it had "one of a few facilities available worldwide for manufacturing cytotoxic finished products" and expected to have the product in full production by 2013.

The company said that if successful, the initiative will put it in a better position to access new contract opportunities, including more significant export contracts.

IDT executive chairman Dr Graeme Blackman said the project was the first milestone in the company's program to commercialize new generic drugs in which it has intellectual property ownership.

IDT was up 3.5 cents or 9.6 percent to 40 cents.

[NEOPEC](#)

The former chief executive officer of Neopec Dr Peter Mountford has taken the company to court over a claimed 'Breach of general protections' of the Fair Work Act.

Documents posted on the Federal Court website say that the case was brought to the Federal Magistrates Court in Melbourne on June 20, 2011 by Dr Mountford and a document filed entitled 'Application Dismissal from employment in contravention of a general provision'.

The court files show that Neopec filed a response to the claims on July 4, 2011 and that a directions hearing before Federal Magistrate Norah Hartnett on July 18 was adjourned until November 16, 2011.

Dr Mountford was dismissed from Neopec at about the same time that Australian Tissue Engineering Centre business development officer Dr Buzz Palmer was dismissed from his position (BD: Mar 4, 2011).

The previous day several separate sources told Biotech Daily that there had been questions raised about the future of ATEC (BD: Mar 3, 2011).

Both ATEC and Neopec are related to the Bernard O'Brien Institute on the campus of Melbourne's St Vincent's Hospital.

ATEC was established in 2007 with a Victorian Government \$5.2 million grant to integrate research institutions including the Bernard O'Brien Institute of Microsurgery, the Australian Stem Cell Centre, the University of Melbourne and St Vincent's Hospital (BD: Mar 28, 2007).

In 2009, the Victoria Government provided \$2.95 million to ATEC to develop the Neopec technology (BD: Oct 29, 2009).

ATEC is a sponsor of Neopec, which was created to develop a technique for women to regrow pectoral muscle tissue following mastectomy (BD: Apr 16, 2010).

Neopec said last year that the technique was developed by scientists at the Bernard O'Brien Institute and the process implanted a biodegradable synthetic chamber and using the breast cancer patient's own regenerative capacity, built a breast that looked and felt like her other breast.

Neopec said at that time that trials were underway.

[QRX PHARMA](#)

QRX says it hopes to raise up to \$25 million through a placement of up to 17,241,379 shares at \$1.45 each and a further \$10 million through a one-for-20 rights issue.

QRX said the placement shares would be able to participate in the non-renounceable rights issue.

The company said the placement was expected to be completed tomorrow July 21.

QRX said the record date for the rights issue was August 2 with the offer opening on August 8 and closing on August 22, 2011.

The company said the funds would allow it to take its lead product Moxduo immediate release (IR) to the point of commercialization and provide a strong negotiating position with potential partners.

A QRX placement and share purchase plan last year raised \$19.8 million at 85 cents a share (BD: Oct 1, Nov 19, 2010).

QRX is in a trading halt for the placement and last traded at \$1.61.

PROGEN PHARMACEUTICALS, PRIMA BIOMED, PHOSPHAGENICS

Progen says its biopharmaceuticals manufacturing subsidiary Pharmasynth has new contracts with Prima and Phosphagenics.

Progen chief executive officer Sue MacLeman told Biotech Daily that the value of the contracts was confidential.

Progen said that Pharmasynth would manufacture mannosylated fusion protein (M-FP) for Prima to be used as a starting material in the production of its CVac ovarian cancer vaccine.

The company said Prima was about to begin a pivotal clinical trial of CVac as a maintenance treatment for patients with epithelial ovarian cancer in complete remission and Pharmasynth previously manufactured M-FP for Prima.

Progen said Pharmasynth had been contracted to manufacture tocopheryl phosphate mixture or TPM for Phosphagenics.

The company said TPM comprised vitamin E phosphates shown to enhance dermal, transdermal and oral absorption of compounds.

Progen said Phosphagenics was a new client.

Ms MacLeman said that while the individual contracts were not material to Progen's overall result, Pharmasynth's new contract with Prima and the addition of Phosphagenics to its growing list of strategic relationships was "an important achievement for the growth of Pharmasynth".

Pharmasynth chief executive officer Les Tillack said the projects fitted with the company's expertise in recombinant protein manufacture and chemical synthesis.

Progen was up 1.5 cents or 6.4 percent to 25 cents.

Prima was up one cent or 3.5 percent to 29.5 cents with 4.3 million shares traded.

Phosphagenics was up half a cent or 3.85 percent to 13.5 cents

LIVING CELL TECHNOLOGIES

Living Cell says it has appointed Prof Bernie Tuch as a directors and existing director Roy Austin will be the company's chairman.

The company's founder Prof Robert Elliott has been the executive chairman and continues as acting chief executive officer.

Living Cell said Prof Tuch was a senior scientist with the Commonwealth Scientific and Industrial Research Organisation in a cell transplantation project and was previously a professor at the University of New South Wales, where he carried out extensive research in islet xeno-transplantation over many decades.

The company said Prof Tuch was a director of Sydney Cell Therapy Foundation and a specialist practitioner in endocrinology at Sydney's Prince of Wales Private Hospital.

Living Cell said Prof Tuch had experience in capital raising to support his research team and a large international scientific publication list and had previous scientific collaborations with the company.

The company said that Mr Austin has extensive experience in licencing, establishing joint ventures and partnerships in his position as a principal of Northington Partners.

Living Cell said Mr Austin had advised the company on financing during its formative years and was "well-acquainted with the science and financial background" of the company.

Living Cell was up 0.8 cents or 12.9 percent to seven cents.

ALLIED HEALTHCARE GROUP

The Perth, Western Australia-based McRae Technology says it holds 74,027,712 shares or 13.03 percent of Allied Healthcare.

The initial substantial shareholder notice said McRae acquired the shares through the transfer of Techstart Australia shares in Allied Medical in the reverse takeover of Biomed. The notice said that Techstart was a wholly-owned subsidiary of McRae Technology.