



Biotech Daily

Monday August 8, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PATRYS UP 6%; LBT DOWN 20%**
- * **WEHI, ABBOTT, GENENTECH PHASE I ABT-199 LEUKAEMIA TRIAL**
- * **MEDICAL DEVELOPMENTS ENROLS 1st UK CLINICAL TRIAL PATIENT**
- * **USPTO GRANTS BENITEC FURTHER GRAHAM FAMILY DDRNAI PATENT**
- * **PRANA APPOINTS LAWRENCE GOZLAN DIRECTOR**

MARKET REPORT

The Australian stock market fell a further 2.91 percent on Monday August 8, 2011 with the S&P ASX 200 down 119.3 points to 3986.1 points.

Six of the Biotech Daily Top 40 stocks closed up, 21 fell, 10 traded unchanged and three were untraded. All three Big Caps fell.

Patrys was the best of the few, up 0.4 cents or 5.6 percent to 7.5 cents with 50,000 shares traded, followed by Cellmid up five percent to 2.1 cents with 1.7 million shares traded.

Optiscan climbed 4.4 percent; Heartware was up three percent; with Compumedics and Sunshine Heart up more than two percent.

LBT led the falls, down one cent or 20 percent to four cents, with 213,967 shares traded, followed by Alchemia down 18.55 percent to 50.5 cents with 1.6 million shares traded, Viralytics down 11 percent to 44.5 cents with 84,800 shares traded, with Prima and Starpharma both down 10.8 percent to 16.5 cents and \$1.235, respectively, with 33.1 million shares and 912,317 shares traded, respectively.

Phosphagenics lost 8.3 percent; Living Cell and Pharmaxis fell more than seven percent; Bionomics, Phylogica and QRX were down more than six percent; Mesoblast and Universal Biosensors lost more than five percent; Benitec fell four percent; Nanosonics, Psivida and Sirtex were down more than three percent; CSL fell 2.4 percent; with Clinuvel, Cochlear, Impedimed and Tissue Therapies down more than one percent.

THE WALTER AND ELIZA HALL INSTITUTE FOR MEDICAL RESEARCH

The Walter and Eliza Hall Institute says its ABT-199, a BH3-mimetic drug, is in a phase Ia clinical trial for chronic lymphocytic leukaemia, the most common leukaemia.

The Institute said a discovery by its scientists Prof David Vaux, Prof Suzanne Cory and Prof Jerry Adams in 1988 led to the co-development of ABT-199 with Abbott Laboratories and Roche's Genentech.

A WEHI media release said patients had received ABT-199 (GDC-0199/RG7601) as part of a global phase Ia clinical trial coordinated locally by Cancer Trials Australia.

The media release said ABT-199 was a BH3-mimetic drug, designed to block the function of the protein Bcl-2 which allowed leukaemia cells to become long-lived.

The Institute said that subsequent research with Prof Andreas Strasser, Prof David Huang, Prof Peter Colman and Prof Keith Watson explained much about how Bcl-2 and related molecules function to determine if a cell lives or dies, contributing to the development BH3-mimetics that kill and rapidly remove leukaemic cells by blocking Bcl-2.

The head of clinical translation at the Walter and Eliza Hall Institute Prof Andrew Roberts said the phase Ia clinical trial was designed to demonstrate the safest dose of ABT-199.

"It will be tested in a small group of patients with [chronic lymphocytic leukaemia] who have not responded satisfactorily to other treatments," Prof Roberts said.

"If the safety profile of ABT-199 supports further study, we anticipate that, ABT-199 could be available for a larger phase II clinical trial to determine whether it is effective for treating [chronic lymphocytic leukaemia] in the next one to two years," Prof Roberts said.

The Walter and Eliza Hall Institute's director Prof Doug Hilton said the collaborative arrangement enhanced the institute's ability to rapidly translate its laboratory discoveries into benefits for patients.

"The institute has supported research teams that are dedicated to improving outcomes for patients," Prof Hilton said.

"In this case we are seeing more than two decades of research culminating in what we hope will be a promising new drug," Prof Hilton said.

The Institute's head of business development Dr Julian Clark said the collaboration with Abbott and Genentech was "regarded as the industry benchmark".

"We anticipate that other compounds discovered at the institute will be able to enter clinical trials through similar collaborative efforts," Dr Clark said.

Victoria's Minister for Innovation, Services and Small Business Louise Asher said the collaborative trial "demonstrates the capabilities of our local medical research sector and hopefully bodes well for positive future outcomes in the fight against leukaemia".

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says it has enrolled the first of 300 patients in its phase III pivotal UK clinical trial for a European marketing authorization for Pentrox.

Medical Developments said it expected to complete the randomized, double-blind, multi-centre, placebo-controlled study to evaluate the safety and efficacy of inhaled Penthrane or methoxyflurane for the treatment of acute pain in patients presenting to emergency departments with minor trauma within 12 months (BD: Feb 15, 2011).

Medical Developments chief executive officer John Sharman told Biotech Daily that the 300 patient pivotal trial was centred at the Nottingham Hospital which was the largest accident and emergency hospital in the UK.

Mr Sharman said the company had received a UK Government grant to fund resources for the trial including nurses and clinical trial staff.

Medical Developments fell seven cents or 15.6 percent to 38 cents.

BENITEC

Benitec says the US Patent and Trademark Office has issued a notice of allowance for the US patent application 'Synthetic Genes and Genetic Constructs Comprising Same'.

Benitec said the US patent number was 10/346,853 referred to as '853 and was a division of its US Graham patent family, further strengthening its "dominant patent position in the RNA-based gene silencing".

The US Graham patent is formally numbered 6,573,099 and entitled 'Genetic Constructs for Delaying or Repressing the Expression of a Target Gene'.

Benitec said the allowed claims of the Graham '853 patent were complementary to those of the foundational and reissued '099 Graham patent and the recently allowed '726 patent, and provided broader patent protection for use of its gene silencing technology DNA-directed RNA interference, or ddRNAi, human therapeutic applications.

The company said the claimed constructs had two sequences of about 20-30 consecutive nucleotides identical in sequence to a region of a target gene encoding a viral DNA polymerase, a viral RNA polymerase, or a viral coat protein in a mammalian cell.

Benitec said the patent protected the use of ddRNAi for viral disease therapeutics, including, its hepatitis B program and Tacere Therapeutics' hepatitis C program.

Benitec chief executive officer Dr Peter French said the company's patent position in ddRNAi "increasingly dominates the gene silencing field".

Dr French said ddRNAi had "the potential to permanently silence any genes involved in chronic life threatening disease and, as such, is likely to provide the basis for development of a broad range of novel human therapeutics".

Benitec said it was the exclusive licensee of the Graham patents from the Commonwealth Scientific and Industrial Research Organisation.

Benitec fell 0.1 cents or four percent to 2.4 cents with seven million shares traded.

PRANA BIOTECHNOLOGY

Prana says it has appointed the founder and chief investment officer of Scientia Capital Lawrence Gozlan as a director.

Prana said Mr Gozlan was "a leading biotechnology investor and advisor" and Scientia was founded "to provide high level expertise and to manage investments for high net worth individuals, family offices and institutional investors wanting exposure to the biotechnology industry".

Prana said Mr Gozlan was previously the institutional biotechnology analyst at the Queensland Investment Corporation, an investment fund with more than \$60 billion under management and prior to QIC was the senior biotechnology analyst in the equities team at Foster Stockbroking.

Prana said Mr Gozlan was an investment advisor to several companies in the biotechnology industry.

The company said Mr Gozlan held a Bachelor of Science in microbiology and immunology from the University of Melbourne specializing in neurodegenerative diseases.

Mr Gozlan was appointed a director of Avexa on June 30, 2009, resigning in November 2009 "due to increased commitments in [his] capacity as a fund manager and board member of other entities" (BD: Nov 18, 2009).

Prana was unchanged at 16 cents.