



# Biotech Daily

Friday September 2, 2011

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: SUNSHINE UP 7.5%; PHOSPHAGENICS DOWN 7%**
- \* **'SURPRISE' NOVARTIS TERMINATION OF IMUGENE LICENCE**
- \* **FEDERAL R&D TAX 'INCENTIVE' INFORMATION SESSIONS**
- \* **AUSTRALIAN PATENT FOR IMMUNE SYSTEM CANCER TARGET**
- \* **GENETIC TECHNOLOGIES' DR MERVYN JACOBSON TRIAL CONTINUES**
- \* **EASTLAND RECEIVES 'CONFUSING' 3<sup>rd</sup> PARTY EMAIL ON TRIAL SITES**
- \* **AUSTRALIAN ETHICAL REDUCES TO 5% OF ATCOR**
- \* **NOVAPORT REDUCES 1% IN MEDICAL DEVELOPMENTS**
- \* **M-D WAYNE STRINGER TAKES 15% OF PROBIOTEC**
- \* **ACRUX TO JOIN S&P ASX200; PRIMA, STARPHARMA TO ASX300**

## MARKET REPORT

The Australian stock market fell 1.5 percent on Friday September 2, 2011 with the S&P ASX200 down 64.6 points to 4,242.9 points. Eleven of the Biotech Daily Top 40 stocks were up, 15 fell, eight traded unchanged and six were untraded. All three Big Caps fell.

Sunshine Heart was the best, up 0.3 cents or 7.5 percent to 4.3 cents with 25,000 shares traded, followed by Prima up 5.1 percent to 20.5 cents with 32.8 million shares traded and Cellmid up five percent to 2.1 cents with 25,001 shares traded.

Allied Health and Viralytics climbed more than four percent; Bionomics and Clinuvel were up more than three percent; Alchemia and Starpharma rose more than two percent; with Biota up 1.1 percent.

Phosphagenics led the falls, down one cent or 6.7 percent to 14 cents, with 538,580 shares traded, followed by Cathrx down 6.25 percent to 15 cents with 26,269 shares traded.

Bioniche, Living Cell, Phylogica and Tissue Therapies lost more than five percent; Benitec and Reva fell more than four percent; Acrux was down 3.8 percent; Compumedics, Cochlear and Genetic Technologies shed more than two percent; with Anteo, CSL, Nanosonics, Pharmaxis, QRX and Resmed down more than one percent.

## IMUGENE

Imugene says Novartis has terminated the global licence agreement for development and commercialization of its vaccines for pigs and poultry.

Imugene said that the response to further enquiries was that the reason for termination was “an internal decision by the licensor to discontinue investment in the development of this technology” and no further information was provided regarding the termination.

Imugene said that during a recent management visit to the US operations of the licence partner there was no indication that termination of the venture was being considered and based on the discussions that occurred, the notice of termination was very unexpected.

“Imugene is very disappointed with this outcome,” a company media release said.

The company said it would await the return of documentation regarding the technology and then conduct a review of options for the technology.

Imugene fell 0.8 cents or 25.8 percent to 2.3 cents with 3.3 million shares traded.

## IMMUNE SYSTEM THERAPEUTICS

Immune System says it has been granted an Australian patent for a new method of treating blood cancers that express a target called lambda myeloma antigen.

Immune said that the lambda myeloma antigen was discovered by its research scientists.

The company said the patent, entitled 'Target for B-cell disorders' covered the treatment of a broad range of blood cancers involving the administration of antibodies that bind to the lambda myeloma antigen to prevent the growth of, or kill, the cancer cells found in B-cell lympho-proliferative diseases.

Immune System said it was developing its second antibody candidate IST-1458 for the treatment of blood cancers that display the lambda myeloma antigen target.

The company said the patent provided protection for the company's platform technology until the year 2025 and was “a significant addition to [its] ... platform of new treatments for cancer and other diseases”.

Immune System chief executive officer Alan Liddle said the company's patent portfolio was “a major commercial asset that will help ensure long-term exclusive licencing rights and underpin our global commercial opportunities”.

Immune said that in June 2011 it received US Food and Drug Administration orphan drug designation for lead antibody product MDX-1097, giving the company and its licencing partners access to an accelerated approval process and marketing exclusivity in the US for a number of years.

The company said it would expand a phase II clinical trial of MDX-1097 for multiple myeloma blood cancer in Australia following encouraging responses from the first dosed patients and positive safety data.

Immune said MDX-1097 was a genetically engineered antibody that bound specifically to the target protein kappa myeloma antigen found on the cell surface of some types of blood cancer and it expected the antibody would potentially reduce the number of cancerous cells in multiple myeloma patients and improve patient health and well-being.

Immune said that laboratory studies showed that the antibody worked with the patient's immune system to induce death of multiple myeloma cancer cells.

The company said MDX-1097 was created to treat multiple myeloma blood cancer, a debilitating terminal disease, with an estimated patient population of more than 150,000 people worldwide.

Immune said the disease typically occurred in older patients and was responsible for two percent of all cancer deaths in the US each year.

Immune is a public unlisted company.

## FEDERAL GOVERNMENT

Federal Innovation Minister Senator Kim Carr says information sessions on the new research and development tax credit will be held in September and October.

Senator Carr said that tax credit would be known as a “tax incentive and the information sessions were designed for businesses to learn how to access and best use it.

“We are a clever country. We have renamed the tax credit an incentive because that is what it is - an incentive for our creative firms and individuals to invest in new ideas, products and services,” Senator Carr said.

“That is why Ausindustry, together with the Australian Taxation Office, will be conducting information sessions around the country in September and October to ensure firms are aware of the support available under the program,” Senator Carr said.

According to Ausindustry, the information sessions begin in Melbourne on September 13 and conclude in Darwin on October 6, 2011.

To register or for more information go to: [www.ausindustry.gov.au](http://www.ausindustry.gov.au) and click on the ‘R&D Tax Incentive’ under ‘Quick Links’.

## GENETIC TECHNOLOGIES

The number of market manipulation charges against Genetic Technologies founder Dr Mervyn Jacobson has been reduced from 319 to 41 charges (BD: Feb 4, 2010).

An officer of the Commonwealth Director of Public Prosecutions told Biotech Daily that in the Victorian Supreme Court today Justice Mark Weinberg adjourned proceedings until September 20, 2011 to decide which legal questions, relating to creating an artificial price would be referred to the Court of Appeal.

The CDPP officer said Dr Jacobson was charged with two counts of conspiracy to commit an offence against Section 1041A of the Corporations Act to create or maintain and artificial [share] price and said there were a further 39 individual charges of creating or maintaining an artificial price.

Dr Jacobson has pleaded not guilty to all charges.

Genetic Technologies fell half a cent or 2.3 percent to 21 cents with 1.3 million shares traded.

## EASTLAND MEDICAL SYSTEMS

Eastland says it has received a confusing email alleging that due to cash-flow problems, which Eastland rejects, Artimist trial sites would not be initiated.

Eastland said it received an email from London Pharma employee Clive Booles saying that he had been asked by the directors of Protopharma “to inform you that due to cash-flow issues the Ghana and Tanzania sites for the study will not be initiated”.

Eastland said Mr Booles was not an officer of Protopharma which it had contracted for the trials of the sublingual treatment of paediatric malaria and in turn Protopharm had contracted London Pharma to undertake aspects of the Artimist program.

Eastland said it had been told by Protopharma that the clinical trials were on track and that all payments required had been made and funds were available for all invoices.

The company said Protopharma was a single entity which held the Artimist patents and was responsible for the clinical development program and Artimist was its only project.

Eastland said that due to the time differences with the United Kingdom it had not been able to contact Protopharma to ascertain the validity of the email from Mr Booles.

Eastland fell 0.2 cents or 10 percent to 1.8 cents with 3.1 million shares traded.

### ATCOR MEDICAL

Australian Ethical Smaller Companies Trust has again decreased its substantial shareholding in Atcor from 8,272,193 shares (6.17%) to 6,722,193 shares (5.01%).

In July Australian Ethical reduced its holding from 9,955,193 shares or 7.42 percent (BD: Jul 7, 2011).

Australian Ethical said the 1,550,000 shares were sold for \$124,293 or an average price of 8.02 cents a share.

In March, Australian Ethical bought 1,359,291 shares for \$135,608 or 10 cents a share (BD: Mar 8, 2011).

Atcor was untraded at eight cents.

### MEDICAL DEVELOPMENTS INTERNATIONAL

Novaport Capital has reduced its substantial shareholder in Medical Developments from 4,769,957 shares (8.37%) to 3,706,103 (7.22%).

The substantial shareholder notice from the Pitt Street, Sydney-based Novaport said the company sold the 1,063,854 shares for \$479,792 or an average price of 45.1 cents each.

In January Novaport said it acquired the 4,769,957 shares for \$1,860,283 or 39 cents a share (BD: Jan 31, 2011).

Novaport is an independent boutique investment group, related to the Challenger group. Medical Developments was untraded at 50 cents.

### PROBIOTEC

Probiotec managing-director and chief executive officer Wayne Stringer has increased his substantial shareholding from 7,135,954 shares (13.66%) to 7,940,721 shares (15.00%).

The substantial shareholder said 205,000 shares acquired in the exercise of options at \$1.00 a on June 30, 2010, followed by a series of small trades from November 25, 2010 at 70 cents a share until September 1, 2011 when the last parcel of 112,078 shares was acquired at 33 cents a share.

Probiotec was unchanged at 33 cents.

### ACRUX, PRIMA BIOMED, STARPHARMA

Acrux will join the Standard & Poor's ASX200 Index from September 16, 2011.

Starpharma and Prima have been promoted to the ASX300.

No biotechnology companies were demoted.

Acrux fell 15 cents or 3.8 percent to \$3.78 with 1.5 million shares traded.

Prima was up one cent or 5.1 percent to 20.5 cents with 32.8 million shares traded.

Starpharma was up 3.5 cents or 2.9 percent to \$1.26.