



Biotech Daily

Monday October 31, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: NANOSONICS UP 9%; LIVING CELL DOWN 6%**
- * **BENITEC COLLABORATION ON RARE MUSCULAR DYSTROPHY**
- * **FDA APPROVES CIRCADIAN VGX-100 CANCER TRIALS**
- * **NOVOGEN CONSIDERS SUBSIDIARY SHARE RETURN; SHELL SALE**
- * **LIVING CELL AGM FOR 1.7m DIRECTOR OPTIONS**
- * **LIVING CELL HAS LESS THAN TWO QUARTERS CASH**
- * **NO Q1 SALES OF BIOTA, DAIICHI SANKYO INAVIR**
- * **WILSON HTM CEASES SUBSTANTIAL IN IMPEDIMED**
- * **CONSEGNA HAS TWO QUARTERS CASH; CAPITAL RAISING**
- * **CBIO HAS ONE QUARTER CASH; CAPITAL RAISING**
- * **INVIA, BONTEMPO TAKE 11% EACH OF FERMISCAN**

MARKET REPORT

The Australian stock market fell 1.27 percent on Monday October 31, 2011, with the S&P ASX 200 down 55.2 points to 4,298.1 points. Eleven of the Biotech Daily Top 40 stocks were up, 13 fell, 10 traded unchanged and six were untraded.

Nanosonics was the best, up 4.5 cents or 8.8 percent to 55.5 cents with 103,600 shares traded.

Heartware and Impedimed climbed more than seven percent; Allied Health, Optiscan and Universal Biosensors were up more than five percent; Phylogica was up 3.3 percent; Resmed and Viralytics rose more than two percent; with Bionomics, Biota and Psivida up more than one percent.

Living Cell led the falls, down 0.4 cents or 5.8 percent to 6.5 cents with 582,024 shares traded.

Cellmid lost 4.5 percent; Anteo, Clinuvel, Genetic Technologies, QRX and Starpharma fell more than three percent; Acrux, Circadian and Mesoblast shed more than two percent; with Patrys and Sirtex down by more than one percent.

BENITEC

Benitec says it has signed an agreement with the Royal Holloway University London to develop a therapeutic for oculopharyngeal muscular dystrophy.

Benitec said that oculopharyngeal muscular dystrophy (OPMD) was a currently untreatable and fatal genetic muscle disease.

The company said that research would be under the direction of Royal Holloway's Prof George Dickson and in the Paris laboratories of Universite de Pierre et Marie Curie, by Dr Capucine Trollet.

Benitec said OPMD was an inherited, slow progressing, late onset degenerative muscle disorder, caused by a genetic mutation that resulted in a progressive destruction of muscles involved in the eye, face, swallowing and general movement and that severe swallowing problems could lead to life-threatening consequences.

Benitec said that symptomatic surgical interventions were used to temporarily improve swallowing, but these were inadequate treatments for most afflicted individuals.

The company said the disease had an incidence of one in 100,000 in Europe, but it was the most common muscular dystrophy in Quebec, Canada and was an orphan disease.

Benitec said there were regulatory advantages and financial incentives for developers of orphan disease therapies in the US, Australia, Europe and Japan.

Benitec said the collaboration aimed to develop a DNA-directed RNA interference (ddRNAi) therapy to silence the expression of the mutant gene in patients muscle cells.

The company said that OPMD was "particularly adapted to gene therapy since the affected cells are limited, the genetic mutation is small, known and located on a relatively small gene".

"The opportunity to work with Benitec and to access their impressive patent position in gene silencing is very exciting for us," Prof Dickson said. "We believe that Benitec's technology can lead to a breakthrough treatment and even a cure, for this rare but often fatal disease."

Benitec was unchanged at two cents with seven million shares traded.

CIRCADIAN TECHNOLOGIES

Circadian says the US Food and Drug Administration has approved its investigational new drug application to begin clinical trials of VGX-100 for a variety of late stage cancers.

Circadian said that VGX-100 was a human antibody that acted against the human vascular endothelial growth factor-C (VEGF-C) protein and its first targets would be glioblastoma and metastatic colorectal cancers.

The company said it was developing VGX-100 for other cancer indications, as well as an agent to treat front-of-the-eye diseases.

Circadian chief executive officer Robert Klupacs said the FDA's acceptance of the application was "an extremely important milestone".

"We ... expect clinical trials to commence before the end of 2011 with results becoming available from the study in the second half of 2012," Mr Klupacs said.

Circadian said that animal studies across a range of tumor types had shown VGX-100 combined with Avastin and chemotherapy could significantly reduce tumor growth and spread as well as significantly improve tumor inhibition, over and above that of Avastin and/or chemotherapy alone.

The company said that recent studies implicated VEGF-C as a key mediator of disease progression during Avastin treatment, indicating that combination therapy with VGX-100 and Avastin could significantly improve treatment outcomes in cancer patients.

Circadian fell 1.5 cents or 2.9 percent to 50.5 cents.

NOVOGEN

Novogen chairman William Rueckert says Novogen could distribute its 57 percent Marshall Edwards and 100 percent Glycotex holdings to shareholders and become a backdoor listing vehicle.

In his address to today's annual general meeting Mr Rueckert said "it is obvious that Novogen now acts mostly as a holding company, owning the shares of [Marshall Edwards] MEI and Glycotex".

"We will use our cash judiciously to enhance the value of these two investments through ongoing equity infusions," Mr Rueckert said.

"We also recognize the cost of maintaining Novogen as a listed company with a limited operational role within the group," Mr Rueckert said.

"Novogen represents an attractive vehicle for a privately held company that seeks a listing," he said. "We have a large shareholder base with both an ASX and Nasdaq listing." Mr Rueckert said that Novogen had looked at several businesses it could acquire in a share based transaction and "as part of such a transaction, we might distribute our [Marshall Edwards] and/or Glycotex shares to the Novogen shareholders giving them the benefit of owning those shares directly in addition to Novogen shares".

"We will proceed with this plan on a very cautious and deliberate basis with only the interests of our current shareholders in mind," Mr Rueckert said.

Novogen fell half a cent or four percent to 12 cents.

LIVING CELL TECHNOLOGIES

Living Cell shareholders will vote to issue 1,700,000 options to three directors, ratify a share issue and elect directors.

Living Cell's notice of annual general meeting asked shareholders to approve the issue of 2,767,528 shares to Springtree Special Opportunities Fund.

The company asked shareholders to approve the issue of 900,000 options to chairman Rou Austin and 400,000 options each to directors Dr Bernard Tuch and Robert Willcocks. Living Cell said that Mr Austin's options would vest in two tranches in 2012 and be exercisable at 10 cents, 15 cents, 20 cents and 25 cents, within five years of issue.

The company said that 150,000 options for Dr Tuch and Mr Willcocks would vest in 2012 and be exercisable at 10 cents, with 250,000 options exercisable at 20 cents, all within five years of issue.

The company said shareholders would also vote on the election of Laurie Hunter, Mr Austin, Dr Tuch and Mr Willcocks.

The meeting will be held at the Waipuna Hotel, 58 Waipuna Road, Mt Wellington, New Zealand, on November 28, 2011 at 1.30pm (NZST).

Living Cell fell 0.4 cents or 5.8 percent to 6.5 cents.

LIVING CELL TECHNOLOGIES

Living Cell says its net operating cash burn for the three months to September 30, 2011 was \$1,797,312, with cash at the end of the quarter of \$2,875,447.

Living Cell did not disclose whether it had any other funding sources, but its spending on research and development for the three months was \$1,350,842.

Earlier this month, the company announced that its Diabecell lead product would be developed by a joint venture with Japan's Otsuka Pharmaceutical Factory (BD: Oct 19, 2011).

BIOTA HOLDINGS

Biota says Japan's Daiichi Sankyo Co has advised that there were no sales of anti-influenza drug Inavir in the three months to September 30, 2011.
Biota was up one cent or 1.3 percent to 80 cents.

CONSEGNA GROUP (FORMERLY HELICON GROUP)

Consegna said its net operating cash burn for the three months to September 30, 2011 was \$805,000 with cash at the end of the quarter of \$872,000.

Consegna chief executive officer Fabio Pannuti told Biotech Daily the company had an unusually high expenditure in the three months and had shareholder approval to raise further capital.

Consegna was untraded at 1.9 cents.

CBIO

CBio says its net operating cash burn for the three months to September 30, 2011 was \$2,865,000 with cash at the end of the quarter of \$1,476,000.

Last week, CBio requested a trading halt "for a material capital raising" (BD: Oct 28, 2011).

CBio was untraded at 20 cents.

IMPEDIMED

Wilson HTM has ceased its substantial holding in Impedimed.

Wilson HTM said there was buying and selling through individually managed accounts, but the largest transactions were by Wilson HTM between October 19 and 25, 2011 with 1,633,016 shares sold for \$789,121 or an average price of 48.3 cents a share.

Last month, Wilson HTM reduced its substantial holding in Impedimed from 10,488,240 shares (6.7%) to 8,682,814 shares (5.55%) (BD: Sep 12, 2011) and last year, Impedimed raised \$10 million through a placement at 70 cents a share (BD: Dec 3, 2010).

Impedimed was up four cents or 7.2 percent to 59.5 cents.

FERMISCAN

Invia Custodian for the R & Wright Family Superannuation Fund has become a substantial shareholder in Fermiscan with the acquisition of 128,571,428 shares or 11.14 percent.

The initial substantial shareholder notice said that Invia acquired the shares for \$450,000 or 0.35 cents a share.

Richard Wright is a director of Fermiscan and the Melbourne-based Invia.

Bontempo Nominees for the Bontempo Superannuation Fund also became a substantial shareholder in Fermiscan with the acquisition of 128,571,428 shares or 11.14 percent.

The initial substantial shareholder notice said that Bontempo of Cloisters Square, Perth, also acquired the shares for \$450,000 or 0.35 cents a share.

Carmelo Bontempo is a director of Fermiscan.

Fermiscan was unchanged at 1.4 cents.