



Biotech Daily

Friday November 11, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: GENETIC TECH UP 25%; TISSUE THERAPIES DOWN 4%**
- * **BROADVECTOR ACQUIRES CSIRO IP, HOLDING; RAISES FUNDS**
- * **NANOSONICS REMUNERATION REPORT FACES 20% OPPOSITION**
- * **TISSUE THERAPIES 'ROBUST' FINAL VITROGRO WOUND DATA**
- * **CORNING TO EVALUATE BLUECHIIP TRACKING TECHNOLOGY**
- * **SMALL DISSENT ON STARPHARMA RIGHTS; REMUNERATION APPROVED**
- * **SUNSHINE HEART AGM FOR 13m DIRECTOR OPTIONS; INCENTIVE PLAN**
- * **WILSON HTM CEASES SUBSTANTIAL IN NANOSONICS**
- * **NOVEMBER BIO-BEERS**

MARKET REPORT

The Australian stock market was up 1.23 percent on Friday November 11, 2011 with the S&P ASX 200 up 52.4 points to 4,296.5 points.

Eighteen of the Biotech Daily Top 40 stocks were up, seven fell, nine traded unchanged and six were untraded.

Genetic Technologies was the best, up three cents or 25 percent to 15 cents with 102,000 shares traded, followed by Nanosonics up 13.2 percent to 60 cents with 770,944 shares traded.

Antisense, Neuren and Viralytics climbed more than eight percent; Mesoblast was up 6.7 percent; Prima was up 5.7 percent; Avita, Impedimed, Living Cell and QRX were up more than four percent; Cochlear was up 3.8 percent; with Acrux, Alchemia, Bionomics, Biota, Compumedics and CSL up one percent or more.

Tissue Therapies led the falls, down 2.5 cents or 4.4 percent to 54.5 cents, with 782,779 shares traded.

Pharmaxis and Prana lost more than three percent; Patrys and Phosphagenics shed two percent or more; Anteo was down 1.7 percent; with Starpharma down half a percent.

BROADVECTOR

Broadvector says it has acquired the CSIRO intellectual property relating to its program for early stage prostate cancer and a related vaccine technology.

The company said that as a part of the terms of the intellectual property acquisition the Commonwealth Scientific and Industrial Research Organisation has become a major shareholder in Broadvector.

Broadvector said the assignment of the intellectual property rights followed a merger between Broadvector and Biotech Equity Partners.

The company said the prostate cancer technology had been licenced from CSIRO to Biotech Equity Partners, with Biotech Equity progressing the prostate cancer treatment and securing Australian Therapeutic Goods Administration approval for a phase I trial.

Broadvector chief executive officer Dr Andrew Bray told Biotech Daily that Biotech Equity was also a Pharmabank-related company and had become a wholly-owned subsidiary.

Broadvector said the merger and intellectual property acquisition were triggered following the completion of the first stage of an on-going \$5 million capital raising.

Last year Broadvector withdrew a planned initial public offering to raise at least \$5 million and up to \$8.5 million at 20 cents a share and list on the ASX to fund its gene-directed enzyme pro-drug therapy (BD: Sep 6, 13, Nov 30, 2010).

Today, the company said it would accelerate the phase I clinical development of the treatment for early stage prostate cancer, when the disease was most commonly diagnosed and where the tumor was confined to the prostate.

Broadvector said prostate cancer was the most commonly diagnosed cancer and a major cause of cancer death in men.

The company said that if it was successful, its treatment would offer a more effective and non-surgical treatment with fewer side effects.

Broadvector said it was preparing for a phase II clinical trial to treat aseptic loosening of prosthetic implants, which led to early replacement of implants used in hip reconstructions.

The company said it was "well-placed to develop each of these products given both are based upon gene-directed, enzyme, pro-drug therapies" known as GDEPT.

Dr Bray said that prostate cancer was "devastating and current therapies are associated with severe side effects including sexual dysfunction and long term urinary incontinence ... and current treatments cannot treat all cancers".

"The GDEPT therapy has approval from the TGA and St Vincent's Hospital in Sydney to proceed with the phase I clinical trial," Dr Bray said.

Broadvector is a public unlisted company.

NANOSONICS

Nearly 20 percent of votes cast at the Nanosonics annual general meeting opposed the adoption of the remuneration report, while two directors were elected overwhelmingly.

The remuneration report was approved with 76,178,652 proxy votes (80.15%) in favor and 18,868,026 proxy votes (19.85%) against.

The Australian Securities and Investments Commission said that changes to the Corporations Act from July 1, 2011, provided for a 'two strikes and re-election' process if a remuneration report was opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion, which if passed by more than 50 percent of eligible votes meant the 'spill meeting' must be held within 90 days.

Directors Maurie Stang and Dr David Fisher were elected with more than 123 million votes in favor and about 800,000 votes against.

Nanosonics was up seven cents 13.2 percent to 60 cents.

TISSUE THERAPIES

Tissue Therapies says 36 of 44 difficult-to-treat patients (82%) were partially or completely healed in its clinical trial of Vitrogro wound treatment for venous ulcers.

Tissue Therapies said the "robust" data showed that 19 patients (43%) were more than 90 percent healed with 15 patients (34%) completely healed.

The company said that objective of the trial led by Cardiff University Wound Healing Clinic's Prof Keith Harding was to produce data from a minimum of 40 patients on the efficacy of Vitrogro extra-cellular matrix (ECM) in healing "chronic, complex, persistent venous ulcers that were unresponsive to a protracted period of expert care with current state of the art treatment".

Tissue Therapies said the average reduction in venous ulcer area was 56 percent with an average ulcer size at the start of the trial of 7.2 cm².

The company said that the average time the treated ulcers had not responded to expert care prior to Vitrogro treatment was 36 months and the average age of the patients in the study was 74 years.

Tissue Therapies said that treatment twice a week was no more effective than once a week, but no adverse events related to Vitrogro were reported after more than 750 uses.

Tissue Therapies said the data would be used for submission for European approval and detailed planning for the start of Vitrogro sales in the EU in 2012 was almost complete.

Tissue Therapies chief executive officer Dr Steven Mercer said the company was "very pleased with these strong results, particularly since this group of patients were particularly difficult to treat".

"Some had not responded to years of expert care and one of the completely healed patients was 100 years of age," Dr Mercer said.

"We are confident that this data will be sufficient for EU approval for sale," Dr Mercer said.

Dr Mercer said the company needed validation data from a larger scale manufacturing process for Conformité Européenne (CE) mark, expected by the end of 2011.

"We already have approval from an EU notified body, BSI, for an accelerated review which takes 45 days and so we have more than enough time for a second quarter 2012 sales launch in the EU," Dr Mercer said. "We also anticipate announcing a commercial partnership arrangement this month."

Tissue Therapies fell 2.5 cents or 4.4 percent to 54.5 cents.

BLUECHIIP

Bluechiip says it has signed an evaluation agreement with Corning Inc, manufacturers of specialty glass and ceramics.

Bluechiip said the Corning Life Sciences division would evaluate its tracking technology in collaboration with ATCC, formerly known as the American Type Culture Collection, with whom Bluechiip signed a similar agreement earlier this week (BD: Nov 8, 2011).

The company said Corning made components that enabled high-technology systems for consumer electronics, mobile emissions control, telecommunications and life sciences.

Bluechiip chief executive officer Brett Schwarz said Corning's evaluation was "the third significant US company which has chosen to conduct such trials".

Bluechiip did not disclose Corning's interest in tracking devices, but said its objective was "to explore opportunities with Corning to bring our innovative Bluechiip tracking solution to market as a premium product within Corning's wide range of product lines".

"Our aim is to conduct a proof-of-concept pilot in the coming months and launch product in early 2012, with the intention to take purchase orders shortly thereafter," Mr Schwarz said.

Bluechiip was up five cents or 33.3 percent to 20 cents with 65,000 shares traded.

STARPHARMA

The Starpharma annual general meeting faced some dissent against 'performance rights' but overwhelmingly passed other resolutions including the remuneration report.

Resolutions to approve the employee performance rights plan and to issue 375,000 performance rights to chief executive officer Dr Jackie Fairley were opposed by more than 11 million proxy votes (11.7%) but supported by about 86 million proxy votes (88.3%).

The remuneration report was adopted with 95,929,844 proxy votes in favor and 1,435,416 proxy votes against; there were 3,961,707 proxy votes opposing the reelection of director Peter Bartels and 96.7 million proxy votes in support; and Zita Peach was elected with more than 100 million votes in favor and 69,393 votes against.

Starpharma's most recent Appendix 3B said there were 248,026,578 shares on issue, meaning that the strongest opposition came from 4.6 percent of all shares on issue.

Starpharma fell half a cent or 0.5 percent to \$1.075.

SUNSHINE HEART

Sunshine Heart shareholders will vote to issue options over 13,274,000 options to chief executive officer Dave Rosa and two other directors.

Sunshine Heart's notice of annual general meeting asked shareholders to approve the issue of an option over 8,600,000 shares to Mr Rosa exercisable at 4.1 cents within 10 years of issue and vesting in 48 monthly installments, along with an option over 2,337,000 shares each to Dr Mark Harvey and Greg Waller, on the same terms.

The company said shareholders would vote to increase the equity incentive plan from 152,000,000 shares to 180,000,000 shares, as 141,564,772 shares had been issued.

Sunshine Heart said shareholders would also vote on the re-election of Dr William Peters, Paul Buckman, Dr Harvey and Mr Waller.

The meeting will be held at Ernst & Young, Level 33, 680 George Street, Sydney on November 29, 2011 at 3pm (AEDT).

Sunshine Heart was unchanged at four cents.

NANOSONICS

Wilson HTM Investment Group and associates have ceased their substantial shareholding in Nanosonics with the sale of 2,765,111 shares for \$2,212,785 or 80 cents a share.

Last year Wilson HTM said 13,238,070 shares (5.84%) were acquired by a number of individual holders with one parcel of 2,976,843 shares bought for \$1,744,445 or 58.6 cents a share between May 27, 2010 and September 27, 2010 (BD: Sep 30, 2010).

Today Wilson HTM said the sale of shares was through individually managed accounts between September 29, 2010 and November 8, 2011.

BIO-BEERS

Dr Chris Booth of Thomson Reuters, Ian Dixon of Genscreen and Phillips Ormonde Fitzpatrick's Mark Wickham will host the November Bio-Beers at the Sebel Treasury Bar, corner of Collins and Queen Streets, Melbourne, on November 17, 2011 at 6-8pm.

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