



Biotech Daily

Monday November 28, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN:**
 - **ANTISENSE UP 18%; TISSUE THERAPIES DOWN 17%**
- * **TISSUE THERAPIES EURO DEALS WITH QUINTILES, MOVIAN TO**
- * **PHARMAUST'S EPICHEM TAKES 51% OF CURTIN UNI ORAL DIABETES JV**
- * **USPTO ALLOWS PRANA'S PARKINSON'S PATENT**
- * **OMI SURVIVES REMUNERATION VOTE – JUST**
- * **VIRALYTICS REQUESTS CAPITAL RAISING TRADING HALT**
- * **BENITEC BECOMES BENITEC BIOPHARMA**

MARKET REPORT

The Australian stock market recovered 1.85 percent on Monday November 28, 2011 with the S&P ASX 200 up 73.9 points to 4,058.2 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 13 fell, seven traded unchanged and seven were untraded. All three Big Caps were up.

Antisense was the best, up half a cent or 17.9 percent to 3.3 cents with 100.8 million shares traded.

Benitec climbed 7.1 percent; Avita and Phylogica were up five percent or more; Mesoblast and Prima were up more than three percent; Acrux, Bionomics and Nanosonics rose more than two percent; with Circadian, Cochlear and Psivida up more than one percent.

Tissue Therapies led the falls, down 9.5 cents or 16.8 percent to 47 cents with 2.7 million shares traded.

Patrys and QRX lost more than nine percent; Alchemia and Neuren were both down 7.7 percent; Cellmid was down 5.9 percent; Heartware fell 4.5 percent; Prana was down 3.3 percent; Allied Health, Biota and Sunshine Heart shed more than two percent; with Sirtex down 1.5 percent.

TISSUE THERAPIES

Tissue Therapies has a sales partnership with Quintiles and an inventory management contract with Movianto.

Tissue Therapies had been hoping to sign a licencing deal for its Vitrogro wound treatment, but chief executive officer Dr Steven Mercer told Biotech Daily that the deal with Quintiles removed risk, would return more money than a licencing deal and the company was still free to negotiate licences.

Dr Mercer said Tissue Therapies would receive a significant double-digit percentage of Quintiles' revenue from Vitrogro.

Dr Mercer said the final results of its Conformité Européenne (CE) mark approval trials would be completed in December with approval expected by March 2012.

He said sales would begin in the UK, Germany, Switzerland, Austria, the Netherlands and Northern Italy by July 2012, with income to the company in the second half of 2012.

Dr Mercer said distribution to the France and the Nordic countries was expected to begin by the end of 2013.

In his address to the company's annual general meeting, Dr Mercer said Quintiles would have a dedicated Tissue Therapies sales force with "no distractions or competing priorities".

Dr Mercer said Movianto would provide logistics, from order to payment including multilingual customer support.

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PHARMAUST, EPICHEM CURTUN UNIVERSITY

Pharmaust wholly-owned subsidiary, Epichem, has taken a 51 percent interest in its type 2 diabetes oral treatment joint venture with Perth's Curtin University.

Pharmaust said Epichem had made a cash contribution to Curtin University in return for a further 11 percent of the 'Perosabetes' joint venture, taking its share to 51 percent, with Curtin University holding the remaining 49 percent.

Pharmaust said the development of an orally-available insulin mimetic EPL-BQ70 to avoid the use of needles would be a major breakthrough in the treatment of the disease.

The company said type 2 diabetes affected six percent of the world's population and 12 percent of total global healthcare expenditure.

Pharmaust said that in 2010, diabetes medications alone cost more than \$100 billion worldwide with insulin sales alone accounting for more than \$14 billion.

The company said that Epichem had been providing medicinal chemistry expertise and services to the Perosabetes project since 2008 during which time significant progress had been made.

Pharmaust said that efficacy studies in a rodent model of blood glucose modulation "yielded very promising results", winning the start-up category of the Western Australia Innovator of the Year Award for Curtin University.

Epichem managing director Dr Wayne Best said his company had been adding value to its clients' drug discovery projects and the Perosabetes project "was an ideal opportunity for us to generate valuable intellectual property for our own shareholders".

"Epichem is focused on generating a profit for shareholders through its fee-for-service contract work, whilst continuing to generate potentially valuable intellectual property through its in-house and collaborative research projects," Dr Best said.

Further details on the project are at www.epichem.com.au/content/diabetes.pdf.

Pharmaust was up 0.4 cents or 25 percent to two cents.

PRANA BIOTECHNOLOGY

Prana says the US Patent and Trademark Office has allowed a patent compounds including its lead Parkinson's disease candidate, PBT434.

Prana said the composition of matter patent for selected 8-hydroxy quinazolinone compounds was entitled 'Neurologically Active Compounds' and covered pharmaceutical compositions containing PBT434 and selected 8-hydroxy quinazolinone compounds.

The company said that once granted, the patent had a 20 year term expiring on June 7, 2026, a date that could be further extended by the application of US pharmaceutical extension of term provisions of up to five years.

Prana chief executive officer Geoffrey Kempler said that "securing granted rights to our lead [Parkinson's disease] drug candidate furthers our commercialization plans for PBT434 for which Prana was recently awarded a grant from the Michael J Fox Foundation to undertake preclinical development studies to enable human clinical trials".

Prana said PBT434 had been designed to prevent or slow the loss of the neurons of the substantia nigra that produce the chemical dopamine, the neurotransmitter that controls motor function in the brain.

The company said that as a neuro-protective agent, PBT434 preserved inter-neuronal connections between the substantia nigra and the striatum, or neurons which had dopamine receptors and transmit the signals to coordinate movement pathways and a variety of cognitive processes involving executive function.

Prana said that experiments in two mouse models of Parkinson's disease showed that in animals treated with PBT434, motor coordination and performance were significantly improved compared to untreated control animals, the characteristic accumulation of the disease associated protein alpha synuclein in the brains of Parkinson's disease animal models was reduced and that expression of a key genetic susceptibility factor, the antioxidant protein, DJ-1, was elevated in substantia nigra neurons.

Prana fell half a cent or 3.3 percent to 14.5 cents.

OMI HOLDINGS

The OMI remuneration report was opposed by just under 25 percent of all proxy votes cast, narrowly avoiding the first of two triggers for a board spill.

The remuneration report vote was passed with 123,314,519 proxy votes (75.3%) in favor and 40,422,609 proxy votes (24.7%) against, or 8.1 percent of the total shares on offer.

Changes to the Corporations Act (Section 250U) provide for a 'two strikes and re-election' process if a company's remuneration report is opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion.

Director Gary Stewart was elected with more than 120.5 million votes in favor and 410,206 proxy votes against.

OMI was formerly known as Occupational and Medical Innovations, went into voluntary administration on December 31, 2009 and in May 2010 entered into a deed of company arrangement with Sun Biomedical.

In September 2010, the company said it hoped to return to trading following two placements to raise \$2,550,000 to continue development of safer needles and related technologies (BD: Sep 21, 2010).

OMI said in November 2010 it returned to trading with \$1.8 million in cash saying that it had an agreement with Chelsea Medical Services to provide services "in particular in relation to the commercialization of the OMI Sharpsafe [syringe container]".

In May this year OMI said it had acquired a tin project in Uganda (BD: May 19, 31, 2011).

OMI was untraded at 0.4 cents.

VIRALYTICS

Viralytics has requested a trading halt pending “an announcement ... regarding a proposed capital raising”.

Trading will resume on November 30, 2011 or on an earlier announcement.

Viralytics last traded at 48 cents.

BENITEC BIOPHARMA

Benitec says that following approval at its annual general meeting it has formally changed its name from Benitec to Benitec Biopharma.

The company said its ASX code of BLT remained unchanged.

Benitec was up 0.1 cents or 7.1 percent to 1.5 cents with 2.6 million shares traded.