



# Biotech Daily

Wednesday February 8, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH EVEN: BIONICHE UP 9%, PRANA DOWN 11%**
- \* **CANCER FOUNDATION SUPPORTS 2 NEW WEHI LABS**
- \* **VICTORIA SUPPORTS BIOTA EXPANSION**
- \* **GSK Q2 BIOTA RELENZA ROYALTY \$500k**
- \* **TISSUE THERAPIES: \$10m CASH, AWAITING CE MARK, READY TO SELL**
- \* **DR STEWART WASHER REPLACES TWO IMMURON DIRECTORS**
- \* **ASIC FINES BIOPROSPECT \$33k ON MINING DISCLOSURE**
- \* **SOLAGRAN: JOURNAL BACKS ROPREN FOR COGNITION IN RATS**

## MARKET REPORT

The Australian stock market rose 0.39 percent on Wednesday February 8, 2012 with the S&P ASX 200 up 16.5 points to 4290.7 points.

Twelve of the Biotech Daily Top 40 stocks were up, 13 fell, 10 traded unchanged and five were untraded.

Bioniche was the best, up six cents or 9.1 percent to 72 cents with 87,000 shares traded.

Anteo, Genera and Prima climbed more than six percent; Compumedics and Tissue Therapies were up more than five percent; Avita was up 3.85 percent; Acrux, CSL, Phosphagenics and QRX rose more than two percent; Starpharma was up 1.1 percent; with Sirtex up 0.4 percent.

Prana led the falls, down two cents or 11.4 percent to 15.5 cents, with 515,500 shares traded, followed by Alchemia down 7.3 percent to 38 cents with 1.55 million shares traded.

Clinuvel lost 6.8 percent; Antisense and Benitec both fell five percent; Genetic Technologies, Optiscan and Universal Biosensors were down more than three percent; Bionomics and Nanosonics shed more than two percent; Impedimed and Living Cell were down more than one percent; with Mesoblast down 0.9 percent.

## [THE WALTER AND ELIZA HALL INSTITUTE FOR MEDICAL RESEARCH](#)

The Walter and Eliza Hall Institute says the Australian Cancer Research Foundation has committed \$2 million towards the \$5 million cost of two cancer research laboratories.

A WEHI media release said the funding helped establish new laboratories for the institute's Australian Cancer Research Foundation (ACRF) stem cells and cancer division and ACRF chemical biology division, expanding the institute's research programs into the causes of, and treatments for, some of the most prevalent cancers in Australia, including breast cancer, ovarian cancer, lung cancer and leukaemia.

WEHI said the stem cells and cancer division would study the biology of epithelial cancers, including breast, lung and ovarian cancer.

The head of the ACRF chemical biology division Prof David Huang said the new facilities would enable institute researchers to develop new medications for cancers including epithelial cancers and blood cancers such as leukaemia.

"The institute has many scientists investigating how cancers might be better treated," Prof Huang said. "Our division will use this knowledge to develop medications that have the potential to be used as new anti-cancer agents."

Walter and Eliza Hall Institute director Prof Doug Hilton said the fit-out of the laboratories would assist the institute's cancer research programs.

"Discovering the causes of cancer, and developing treatments for cancer, have been a focus of our researchers for much of the past 100 years," Prof Hilton said.

WEHI said the new laboratories will be officially opened in late 2012.

## [BIOTA, VICTORIA GOVERNMENT](#)

Victoria's Minister for Technology Gordon Rich-Phillips says Biota is expanding its Notting Hill facility, with support from the State Government.

Mr Rich-Phillips said that 35 new highly skilled jobs would be created by 2014 as part of an expansion which follows the award of \$US\$231 million, five-year contract from the US Biomedical Advanced Research and Development Authority (BD: Apr 1, 2011).

Mr Rich-Phillips said the expansion would allow the company to advance the development and registration of its second-generation influenza product Laninamivir for the US market and the investment secured Biota's capacity and capability to deliver its commitments under the BARDA contract and expand its activities in the development of anti-infective drugs in Victoria.

"The project will see Biota expand and upgrade the existing Notting Hill facility to ensure it has the capacity in terms of lab space, security, supporting infrastructure, and capability to service the BARDA contract," Mr Rich-Phillips said.

The Victoria Government did not disclose the level of support and previously cited confidentiality in relation to support for a \$60 million Glaxosmithkline expansion at Boronia (BD: Feb 3, 2012).

One source has told Biotech Daily that the Government support was "critical" for the Glaxosmithkline expansion.

Biota chief executive officer Peter Cook told Biotech Daily the support was welcomed by the company but the level of support was a matter for the State Government.

Mr Cook said that Biota had referred to the upgrade of facilities in its announcement of the BARDA grant last year.

Mr Cook said the upgrade was the fit-out of existing space at the Notting Hill facility, but he could not disclose the total costs at this time.

Biota was unchanged at 81.5 cents.

## BIOTA

Biota said it expects to receive a \$500,000 Glaxosmithkline royalty payment for sales of Relenza in the three months to December 31, 2011.

Biota said the payment represented sales of Relenza of \$7 million for the three months and compare to a royalty of \$230,000 million for \$1.8 million in Relenza sales for the three months to September 30, 2011 and the record royalty payment of \$32.6 million from Glaxosmithkline for \$462 million in Relenza sales in the three months to December 31, 2009 and \$1.2 million for \$17.9 million sales in the three months to December 31, 2010. Biota said that today's figures were calculated on an exchange rate of \$A1.5177 to GBP1.00 and the payment would be calculated on the exchange rate of April 30, 2012. Biota said it would report first half indicative Relenza royalty income of \$727,000 when it releases its interim report on February 15, 2012.

## TISSUE THERAPIES

Tissue Therapies says it is "on-track for the start of Vitrogro wound treatment sales in early June 2012 in the UK and Europe".

Tissue Therapies said that final validation data was "as expected and confirm that the Vitrogro manufacturing processes are reliable and compliant with the necessary good manufacturing process standards".

The company said that it was working with Quintiles interviewing potential sales staff and that key wound-healing clinicians in Europe were "keen to be involved" in the initial clinical use of Vitrogro, with some providing expert advice on a range of launch activities including sales training and reimbursement.

Tissue Therapies said that Movianto had supply logistics, multilingual customer support, order and payment processes in place.

Tissue Therapies chief executive officer Dr Steven Mercer said the company was confident about Conformité Européenne (CE) mark approval.

"We will also be rolling out an integrated communications program for the launch of Vitrogro," Dr Mercer said. "This will include publications, scientific and clinical papers and presentations at selected conferences."

"We believe we have a proven, unprecedented product for the definitive treatment of diabetic and venous ulcers," Dr Mercer said. "We have the product to launch in the EU and \$10 million in cash. This is an exciting time for Tissue Therapies."

Tissue Therapies was up two cents or 5.4 percent to 39 cents.

## IMMURON

Immuron says that Dr Stewart Washer has been appointed a director replacing Prof Roy Robins-Browne and Simon Sallka.

Immuron said that Dr Washer was a non-executive director of Healthlinx and was previously chief executive officer of Calzada and Phylogica, as well as a director of Ausbiotech, Resonance Health, Hatchtech, Iceutica and was a founder and chief executive officer of the \$NZ120 million New Zealand Biopacific Ventures fund through Celentis Ltd.

Immuron said Dr Washer was the investment manager with IB Managers.

The company said that at Celentis Dr Washer managed the commercialization of intellectual property from New Zealand Agresearch with 650 scientists and \$130 million in revenue.

Immuron fell 0.6 cents or 14.3 percent to 3.6 cents.

## BIOPROSPECT

Bioprospect says it will pay a \$33,000 fine and comply with an Australian Securities and Investments Commission infringement notice, relating to its Frontier Gasfields investment. Last year, Bioprospect terminated developed of the termite treatment Termilone and in 2010 endured a dispute with Solagran over the development of its conifer needle extract. In an announcement to the ASX last night after the market closed, entitled 'Market Update' Bioprospect said that ASIC alleged that in the period between 9:52 am on March 3, 2011 and 10:02 am on March 10, 2011, Bioprospect contravened section 674(2) of the Corporations Act 2001 relating to its continuous disclosure obligations under the Act and the Listing Rules of the Australian Stock Exchange (Listing Rules).

Bioprospect said it would comply with the infringement notice and pay the penalty. The company said that "the legislation under which ASIC is empowered to issue infringement notices expressly provides that in complying with the infringement notice (by paying the specified penalty) [the company] is not considered to admit guilt or liability, have contravened section 674(2) of the Act, nor to have committed an offence constituted by the same conduct that constituted the alleged contravention of section 674(2) specified in the infringement notice".

On January 19, 2012, the ASX asked Bioprospect a series of questions relating to an announcement entitled 'Frontier Gasfields progresses Philippines drilling prospects' noting the company's 50 percent interest in Frontier the timing of the announcement and an increase in share volume.

Bioprospect said it would continue to ensure that it complied with its continuous disclosure obligations under the Act and the Listing Rules.

Bioprospect was unchanged at half a cent with one million shares traded.

## SOLAGRAN

Solagran says a paper published in Phytomedicine shows that its conifer green needle extract Ropren can ameliorate cognitive deficiency in rats.

Solagran said the article entitled 'Ropren is a polyphenol preparation from coniferous plants that ameliorates cognitive deficiency in a rat model of beta-amyloid peptide-(25-35)-induced amnesia'.

The company said that the abstract reported that "after four weeks, Ropren treatment significantly improved non-spatial and spatial learning in rats with beta-amyloid peptide-(25-35)-induced amnesia. The results of the present study suggest that Ropren, a novel plant preparation, ameliorates cognitive deficiencies in an animal model relevant to Alzheimer's disease".

An abstract is at: <http://www.sciencedirect.com/science/article/pii/S0944711311004612>.

Solagran said that Phytomedicine: International Journal of Phytotherapy and Phytopharmacology was "a global, leading peer-reviewed journal specializing in the review of drugs of natural origin published by Elsevier for the European Scientific Cooperative on Phytomedicine.

Solagran fell 0.1 cents or two percent to 4.8 cents.