



Biotech Daily

Friday March 16, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH FLAT: OPTISCAN UP 23%, ALLIED HEALTH DOWN 17%**
- * **PHARMACY COLLEGE REINVENTED AS MIPS BIOTECH CRUCIBLE - PLUS**
- * **ALLIED HEALTH \$6.4m PLACEMENT, RIGHTS ISSUE**
- * **PHARMAXIS BRONCHITOL A MONTH FROM \$300m EUROPEAN MARKET**
- * **LBT LODGES PATENTS FOR AGAR PLATE ASSESSMENT SYSTEM**
- * **ORBIS REDUCES TO 14% OF PHOSPHAGENICS**

MARKET REPORT

The Australian stock market slipped 0.04 percent on Friday March 16, 2012, with the S&P ASX 200 down 1.6 points to 4276.2 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 14 fell, eight traded unchanged and three were untraded.

Optiscan was the best on no news, up 2.5 cents or 22.7 percent to 13.5 cents, with 105,000 shares traded.

Biota climbed 8.3 percent; Impedimed, Reva and Prima were up more than six percent; Genera, Pharmaxis and Tissue Therapies were up more than five percent; Alchemia and Sirtex were up more than four percent; Acrux was up 3.45 percent; Starpharma rose 2.9 percent; with Nanosonics up 1.9 percent.

Allied Health led the falls, down 0.6 cents or 16.7 percent to three cents with 6.8 million shares traded, followed by Sunshine Heart down 15.6 percent to 3.8 cents, with 2.6 million shares traded.

Prana lost 6.25 percent; Antisense and Living Cell fell more than four percent; Bionomics and Neuren were down more than three percent; Genetic Technologies, Heartware and Patrys shed two percent or more; with Anteo, Cochlear and Viralytics down more than one percent.

MONASH INSTITUTE OF PHARMACEUTICAL SCIENCES

Opposite the Carlton Football ground in Princes Park, Parkville, several buildings have been rebuilt, renovated and new ones added, to create Monash University's Faculty of Pharmacy and Pharmaceutical Science.

The Faculty emerged from the old Victorian College of Pharmacy and includes the research incubator the Monash Institute of Pharmaceutical Sciences.

Bursting with enthusiasm for the combined establishment, the Faculty dean and Institute director Prof Bill Charman is embarrassed by questions about him, deferring to the team and the large number of world leading scientists he works with.

"It's not me. It's the people we have here," Prof Charman says.

But it is hard to imagine that Bill Charman didn't play a pivotal role in creating both the Faculty and the Institute.

Now aged 52, Bill Charman's educational journey is inspirational, beginning at Frankston Primary School in the 1960s, then moving to the hard working class Technical Schools of Frankston, Doveton and Doveton North and sitting his Higher School Certificate at Dandenong High School in Melbourne's outer Eastern suburbs, making it into the College of Pharmacy on a second round of entry application offers.

The College was a sea change in his academic career, taking him to a Bachelor of Pharmacy degree, leading to a Ph D in drug design at the University of Kansas in 1983 to 1986 – "then the leading pharmaceutical chemistry program in the US".

From Kansas he joined Sterling Drugs as a discovery scientist for four years before returning home to the Pharmacy College in 1990 as a senior lecturer, becoming part of Monash University in 1991, and rising through the academic ranks to professor, culminating in his present position as dean of the Faculty.

"Monash has been totally brilliant," Prof Charman says.

The 1,200 undergraduates within the Faculty work with the leading researchers at the Institute, learning along the way that a pharmacy degree opens doors to a world of jobs and opportunities.

Prof Charman says the campus has 130 Ph D students and 150 research and professional staff, along with the latest in high-tech systems and laboratory equipment, ranging from spectroscopy to surround sound 3-dimensional screens to simulate working in a real pharmacy in a 'virtual practice environment'.

Pharmacy students learn their trade on a campus described by Prof Charman as "the best facilities and the best education ... [with] world leading biologists, experienced chemists, the most successful experienced discovery, delivery and development scientists in Australia, in an environment and culture with a long term vision, that supports their expertise and creativity, inspiring the next generation of leaders".

He says the Institute will gain the services of former Glaxosmithkline, Cambridge University and Heptares Therapeutics senior researcher Dr Chris Langmead to lead the Institute's joint discovery program with Servier, from June 18, 2012.

"Our success will be judged by the Ph D students and graduates who go on to impact and lead their fields," Prof Charman said. "Students love learning here."

The money comes from government, the corporate sector and charitable institutions including the Bill and Melinda Gates Foundation and Prof Charman nominates partnerships and collaborations with Servier Laboratories, Glaxosmithkline, Starpharma, the Cancer Therapeutics Cooperative Research Centre, Iliad and Eli Lilly among many.

Prof Charman says the Institute is "a significant part" of the \$60 million Glaxosmithkline upgrade at Boronia announced earlier this year (BD: Feb 3, 2012).

But Prof Charman says staff and students don't need to worry about money.

"If you have the best possible idea, the money will come."

And the best environment will create the best ideas.

The most recent collaboration was a three-year deal with Servier on drug discovery and research on G-protein-coupled receptors (GPCR), described as the largest super-family of receptors comprising about two percent of the human genome, and the targets for nearly 30 percent of drugs (BD: Jan 30, 2012).

Servier will pay MIPS support for research activities and 15 full-time equivalent staff and MIPS will receive milestone payments for each collaborative project as well as royalties for any product developed as a result of the collaboration

Prof Charman says his Institute has developed GPCR expertise, comprising technology, research facilities and scientists that enabled it to conduct fundamental research, drug discovery and preclinical drug development activities on GPCR targets with therapeutic potential.

The key to the GPCR program is the concept of allosteric drugs that are not all-or-nothing compounds activating or preventing an entire process, but ones that can discriminate in the signals sent, rather like a dimmer switch compared to an on-off switch for therapeutic differentiation within a drug target class.

Prof Charman gives an analogy to a receptor of a house with either all the lights on or all the lights off and says the Institute's project intends to create compounds that can select the individual rooms within the house that require lights on and lights off.

He says that the right partners are needed for long term projects like the GPCR program and "Servier get that long term view and are a primary partner in this area".

Prof Charman says the concept has been demonstrated in mice, but not larger animals, so far.

"We can do it," he says.

Prof Charman says the Institute has four main divisions: Medicinal Chemistry; the Centre for Drug Candidate Optimization, which has collaboratively supported 16 compounds into clinical trials; Drug Delivery, which was the origin of the Acrux technology (BD: Mar 15, 2012); and Drug Discovery Biology.

"We're not a drug discovery company, we are a research institute with excellent, deep, basic science in our four areas," Prof Charman says and proudly quotes the front page of Nature magazine from 2004 on his Institute: "an object lesson in drug development".

In describing the key areas of therapeutic interest, Prof Charman covers most of the possibilities: metabolic diseases, immune and inflammatory diseases, infectious diseases, along with cardiovascular, cancer and central nervous system diseases.

And apart from the partnerships with the commercial world, the Faculty has educational partnerships with the University of Queensland, University of Sydney and University of South Australia.

"This is about creating an industry and jobs for the future. The support from the Victorian Government has been exemplary," Prof Charman says.

Prof Charman quotes the key phrases from the Gates Foundation "Innovation, Collaboration and Impact" and adds his own for the Institute: "Better medicine, by design."

"You need a contemporary structure to translate ideas, biology and chemistry to the drugs of the future and that's what we have here at MIPS."

It's a long way from Victoria's College of Pharmacy and much longer journey from Doveton North Technical School.

David Langsam
Editor

[ALLIED HEALTHCARE GROUP](#)

Allied Health hopes to raise up to \$6.36 million through a placement of up to 66,666,667 shares at three cents each and \$4.36 million through a one-for-five rights issue.

The company said the placement was expected to be completed on or about March 21, 2012.

Allied said the record date for the rights issue was March 27, with the offer opening on March 29 and closing on April 19, 2012.

The company said the funds would be used to progress Coridon's herpes simplex virus type 2 program through phase I trials, as well as accelerate the development of its next generation human papillomavirus vaccine towards clinical studies, and provide resources for the approval of the Cardiocel patch technology.

Allied said that RBS Morgans was the lead manager for the capital raising and the non-renounceable rights issue was not underwritten.

Allied fell 0.6 cents or 16.7 percent to three cents with 6.8 million shares traded.

PHARMAXIS

Pharmaxis says the European Commission has notified it that processing the marketing authorisation application for Bronchitol for cystic fibrosis was nearing completion.

Pharmaxis said the European Commission procedure was expected to conclude next month and the company was proceeding with plans for a commercial launch by July 2012. With about 30,000 people with cystic fibrosis in Europe the addressable market was worth about \$300 million.

Pharmaxis said that the first commercial launch would be in Germany and the UK, and would be followed by other countries as pricing and reimbursement negotiations were concluded.

Earlier this week, Pharmaxis said that it had been recommended for listing on Australia's Pharmaceutical Benefits Scheme opening the path to a \$25 million market (BD: Mar 14, 2012).

Pharmaxis chief executive officer Dr Alan Robertson said that while the European Commission ratification process had been concluding, the company had completed preparations for the Bronchitol launch in Europe.

"Sales teams have been fully recruited and trained in Germany and the UK and stock will be in markets within weeks of receipt of the marketing authorization," Dr Robertson said.

"A European marketing authorization provides access to 29 European countries and we intend to expand the use of Bronchitol beyond the important UK and German markets, which together make up 40 percent of the EU market by value," Dr Robertson said.

"Many of these countries were part of our clinical trial program and there is already awareness of the product amongst clinicians and patients," Dr Robertson said.

Pharmaxis said it was completing its new drug application for Bronchitol to be filed with the US Food and Drug Administration by July 2102 for approval to market Bronchitol for people with cystic fibrosis aged six years and older.

Pharmaxis said it would also seek to market Bronchitol in South America, Canada, Middle East and other European countries.

Pharmaxis was up 6.5 cents or 5.6 percent to \$1.23 with three million shares traded.

LBT INNOVATIONS

LBT says it has lodged "multiple international patent applications for its second automated diagnostics technology, the Automated Plate Assessment System (APAS)".

LBT has been working on the new technology for several two years but has not disclosed the details of the platform technology for the automation of agar plate screening and sorting (BD: Dec 6, 2010).

LBT said today that the lodgment on March 4, 2012 under the Patent Cooperation Treaty would bolster the commercial prospects of APAS, which automates the reading, reporting and sorting of culture plates in large microbiology laboratories.

The company said that the principal hardware and software elements of the technology would be subjected to a series of examinations by an international searching authority to ensure they meet standards of novelty and inventiveness.

LBT said that the applications bring to 14 the total number of patent and design families associated with the company's APAS and Previ Isola technologies.

The company said that the Microstreak patent family at the core of the Previ Isola system for automated culture plate streaking had been granted in Australia, France, Germany, the UK, Italy, the Netherlands, Spain, New Zealand, China and the US, with applications pending in further countries.

LBT was untraded at 5.4 cents.

PHOSPHAGENICS

Orbis Investment Management has further reduced its substantial holding in Phosphagenics from 154,891,863 shares (15.22%) to 144,286,354 shares (14.18%). Orbis said it sold 10,605,509 shares between March 5 and March 13, 2012 for \$2,293,703 or an average price of 21.6 cents each.

Orbis previously reduced its Phosphagenics holding by one percent in February and one percent in March (BD: Feb 20, Mar 7, 2012).

Phosphagenics was unchanged at 22 cents with 21.1 million shares traded.