Biotech Daily

Friday March 2, 2012

Daily news on ASX-listed biotechnology companies

*** ASX UP, BIOTECH EVEN: LIVING CELL UP 37%, OPTISCAN DOWN 11.5%**

*** GILMAN WONG: PHASE III 1st LINE TRIAL A 'STEP-CHANGE' FOR SIRTEX**

*** EASTLAND MALARIA TRIALS BACK ON TRACK, MANUFACTURING DEAL**

*** PROBIOMICS RAISES $2.2m FOR HUNTER TAKEOVER**

*** BLUECHIIP PLACEMENT RAISES $750k**

*** CORRECTION: REVA**

*** FLUOROTECHNICS REQUESTS 'GOING MINING' TRADING HALT**

MARKET REPORT

The Australian stock market climbed 0.41 percent on Friday March 2, 2012 with the S&P ASX 200 up 17.6 points to 4273.1 points.

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

Living Cell was the best, up 2.6 cents or 36.6 percent to 9.7 cents with 2.7 million shares traded, followed by Sunshine Heart up 9.1 percent to 4.8 cents with six million shares traded.

Benitec, Patrys and Phosphagenics climbed five percent or more; Impedimed and Tissue Therapies were up four percent or more; Heartware and Phylogica rose more than two percent; with Anteo, Biota, CSL and Universal Biosensors up more than one percent.

Optiscan led the falls, down 1.5 cents or 11.5 percent to 11.5 cents, with 51,307 shares traded, followed by Antisense down 8.7 percent to 2.1 cents with 10.3 million shares traded.

Prana lost 3.1 percent; Bionomics shed 2.2 percent; Clinuvel, Cochlear, Mesoblast, Pharmaxis, QRX, Reva, Sirtex and Viralytics were down one percent or more; with Acrux and Nanosonics down by less than one percent.

SIRTEX MEDICAL

Sirtex chief executive officer Gilman Wong says his company is planning for expansion up to a decade ahead and targeting first line treatment for liver cancer.

In Melbourne for an investor and media briefing following the publication of positive half-year results, Mr Wong said that the 450-patient phase III Sirflox trial of SIR-Spheres in combination with first-line chemotherapy could be a game-changer for the company.

Sirtex posted revenue for the six months to December 31, 2011, up 8.1 percent to $36.8 million with net profit after tax up 70 percent to $6.1 million and dose sales up 16.1 percent to 2,698 units (BD: Feb 29, 2012).

Should the Sirflox trial results, expected in 2014, validate SIR-Spheres as giving benefit as a first-line treatment for liver cancer from metastatic colon cancer, the potential market would increase from the present 23,680 third-line treatment patients each year in the US, to 125,800 first-line patients.

In the six months to December 31, 2011, Sirtex said it sold 1,702 doses in the US, implying the company had about 14 percent of the third-line treatment market.

The Sirflox trial is one of five trials underway and is studying SIR-Spheres in combination with chemotherapy for metastatic colon cancer which has advanced to liver tumors.

Other trials include head-to-head trials of SIR-Spheres against the approved drug sorafenib (Nexavar) as well as SIR-Spheres in combination with sorafenib for both metastatic colon cancer and primary liver cancer.

“Sirtex can expect a step-change once we have results of large scale clinical trials,” Mr Wong said.

“If the Sirflox trial is successful it will have a significant uplift in sales,” Mr Wong said.

Mr Wong said SIR-Spheres had resulted in complete responses in some of the patients treated”.

“We don’t claim SIR-Spheres as a cure, but they can also shrink tumors to a size where they can be operated,” Mr Wong said.

He said the size and position of some tumors near major blood vessels made them inoperable, but shrinking with SIR-Spheres could reduce the tumors.

Mr Wong said that when he came to the company, there was a significant amount of data on small trials but no major trials demonstrating clear statistical significance.

Mr Wong said that key to market penetration was convincing medical oncologists that the data on SIR-Spheres was robust.

He said the company was planning its expansion and reorganization aiming at where it should be by the year 2020 and had appointed executives to manage sales and marketing in the US and Asia-Pacific.

Mr Wong described Sirtex as an unusual biotech in that it had revenue, was profitable and paid a dividend to shareholders.

Mr Wong said that although the company’s revenue had suffered due to the strengthening Australian dollar, that was offset by the company’s costs being expended off-shore providing “a natural hedge” against foreign exchange fluctuations.

Mr Wong said that Sirtex was targeting more than just liver cancer, investing in new technology and spending on research and development.

Mr Wong said a once-only dose of SIR-Spheres cost $US15,000 in the US, EUR12,000 in Europe and $8,500 in Australia.

Discussing potential competition, Mr Wong said that although it was difficult to win oncologists and hospitals to new treatments like SIR-Spheres, the corollary was that “relationships with hospitals [are] hard to make and hard to break”.

“Once you have a position in a market it is very hard to unseat,” Mr Wong said.

Sirtex fell five cents or one percent to $5.00.

EASTLAND MEDICAL SYSTEMS

Eastland chief executive officer Stephen Carter says the company is “disappointed “over delays to the company’s phase III trial of Artemist for malaria (BD: Apr 29, 2011).
Mr Carter said the ART004 paediatric trial relied “on input and action from many sources and those inputs and actions are subject to various external factors that have worked against the rapid completion of the trial”.
Mr Carter said that in 2011 clinical trial support company Protopharma decided not to the remaining trial sites citing cash flow issues and Eastland put forward an offer to assist them (BD: Sep 2,14, 2011).
He said Protopharma shareholders then took action to remove the directors and this occurred in November 2011 and following the change his company had been working closely with Protopharma to get all sites initiated, with 51 patients treated in Rwanda, Burkina Faso completed 70 percent of its intended 50 enrolments, Ghana had begun recruitment but there were “major delays in the regulatory approval process in Tanzania” with Protopharma unable to determine when the site would commence.
Mr Carter said the company also had “issues with Berlin Pharma and the manufacturing rights and the ongoing litigation … resulted in the company being continually forced to protect the assets of the shareholders”.
But he said the company had “made significant ground in a majority of the historical areas” and the conclusion of the trials would assist increase the share value.
Mr Carter said it had taken steps to reduce costs and wholly-owned subsidiary Westcoast Surgical & Medical Supplies reported a strong growth in sales for the first half of the financial year (BD: Apr 5, 2011).
Separately, Eastland said it had signed a contract manufacturing agreement with Therapex, a division of E-Z-EM Canada Inc, part of the Bracco Group.
Eastland said that Therapex specialized in the development and manufacturing of non-sterile semi-solids and liquids such as Artimist.
The company said that Therapex would manufacture the registration and validation batches and would be the primary contract manufacturer of Artimist.
Eastland said the agreement was a fee for service agreement and not a manufacturing licence or a joint venture agreement.
Eastland was up half a cent or 27.8 percent to 2.3 cents with 3.6 million shares traded.

PROBIOMICS, HUNTER IMMUNOLOGY

Probiomics says it has reached the minimum subscription of $2.2 million in its public offer as part of the reverse takeover by Hunter Immunology, fulfilling a condition of the offer.
In December, Probiomics filed its bidder’s statement hoping to raise $4.4 million through a share offer (BD: Oct 11; Dec 14, 2011).
Probiomics was untraded at one cent.
Hunter Immunology is a public unlisted company.

BLUECHIIP

Bluechiip says it has raised $750,000 through the issue of 3,750,000 shares at 20 cents each in a private placement.
Bluechiip said it also issued one free attaching for every three shares issued or 1.25 million options, exercisable at 20c each by March 1, 2013.
The company said the funds supplement the $473,000 raised in January 2012.
Bluechiip fell half a cent or 2.3 percent to 21 cents.

REVA MEDICAL

Last night's edition quoted Reva chief executive officer Bob Stockman saying that pending the results of the current European 50-patient pilot trial, Reva would proceed to a pivotal trial of more than 2,000 patients for Conformité Européenne (CE) mark approval.
Mr Stockman told Biotech Daily the CE mark trial would enrol an additional 350 patients and the more than 2,000 patient figure related to the proposed US Food and Drug Administration trial at a later date.
The mistake was made by a reporter who misheard the information in a teleconference and will have his ears syringed and provided a louder telephone receiver.
Reva fell one cent or 1.9 percent to 51 cents.

FLUOROTECHNICS

Fluorotechnics has requested a trading halt pending an announcement "regarding the option to acquire certain resource assets" (BD: Feb 14, 2012).
Trading will resume on March 6, 2012 or on an earlier announcement.
Fluorotechnics last traded at 1.6 cents.