Biotech Daily

Monday May 7, 2012

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH DOWN: CELLMID UP 6%, ANTISENSE DOWN 17%**

*** BIOXYNE COULD BE SOLD BY YEAR END**

*** US PATENT FOR CELLMID ANTI-MIDKINE T-CELLS**

*** IMMURON CONTRACTS NZ'S SYNLAIT FOR COW COLOSTRUM**

*** VICTORIA BUDGET $60m FOR CANCER AGENCY**

*** PROBIOTEC PROFIT WARNING: DRUGS GOOD, DIET PRODUCTS NOT**

*** MEDIVAC'S SUNNYWIPES JOINS WHO COLLABORATION**

MARKET REPORT

The Australian stock market fell 2.15 percent on Monday May 7, 2012 with the S&P ASX 200 down 94.7 points to 4,301.3 points.

Just two of the Biotech Daily Top 40 stocks were up, 27 fell, eight traded unchanged and three were untraded. All three Big Caps fell.

Cellmid was the best, up 0.1 cents or 5.9 percent to 1.8 cents with 43.7 million shares traded, followed by Reva up two cents or 3.2 percent to 64 cents with 24,640 shares traded.

Friday's best, Antisense, led the falls, down 0.3 cents or 16.7 percent to 1.5 cents with 14.9 million shares traded, followed by Allied down 10.3 percent to 2.6 cents with 855,544 shares traded and Benitec down 10 percent to 1.8 cents with five million shares traded.

Optiscan and Psivida lost more than eight percent; Alchemia and Prima fell more than seven percent; Bionomics and Impedimed lost more than six percent; Ellex, Genetic Technologies, Mesoblast and Phosphagenics were down five percent or more; Nanosonics, Neuren, QRX, Tissue Therapies and Viralytics fell four percent or more; Anteo, Patrys and Prana were down more than three percent; Biota, Cochlear and Starpharma shed more than two percent; CSL, Pharmaxis and Universal Biosensors were down more than one percent; with Heartware and Resmed down by less than one percent.

BIOXYNE

Bioxyne listed on the ASX in April and if all goes well with phase IIb trial results next month, could be sold by the end of the year (BD: Apr 4, 2012).

Bioxyne chief executive officer David Radford told a biotechnology media briefing in Melbourne today that the 320-patient, phase IIb trial results for HI-164OV were expected in mid-June and if all went well, the company hoped for a licencing deal or possibly a sale of the whole business by the end of 2012 or early 2013.

Mr Radford said that 292 patients had completed treatment of the oral immunotherapeutic, which contained inactivated haemophilus influenzae type 164 bacteria.

Mr Radford said the oral immunotherapeutic appeared to produce a white cell immune response in the gut, which then traveled to the lungs through the mucosa, providing protection for chronic obstructive pulmonary disease patients against exacerbations.

Mr Radford said that non-typable haemophilus influenzae was often found in chronic obstructive pulmonary disease (COPD) patients with exacerbations.

He said the phase IIa 38-patient trial reduced both exacerbations and hospitalizations by 90 percent with a 63 percent reduction in the use of corticosteroids and a 56 percent reduction in antibiotics normally used to treat exacerbations.

Mr Radford said that if the results from the larger trial reflected the phase IIa results he hoped to complete a licencing deal or possibly sell the company by the end of 2012 or early 2013.

Mr Radford said he had engaged with the major companies interested in respiratory medicine and although the core technology had other potential uses for asthma and otitis, a licencing deal was unlikely to leave those indications with Bioxyne.

Mr Radford said the more than 20 major companies in the chronic obstructive pulmonary disease space had “challenges in patent life” with their existing drugs, including beta-agonists.

He said that in Australia there were 54,000 hospital admissions for COPD in 2008, with 109,000 admissions in the UK and 800,000 admissions in the US, with each admission generally requiring a one week stay in hospital, cost about $100,000 per patient in the US.

Mr Radford said the direct costs of chronic obstructive pulmonary disease was estimated at $29.5 billion a year in the US, with more than 20 percent of patients non-smokers and their exacerbations possibly related to environmental pollution caused by fossil fuel burning.

Mr Radford said that apart from the direct benefit to the patient through reduced exacerbations and reduced use of corticosteroids and antibiotics, a reduction of admissions was a major incentive to countries’ health systems and insurers.

He said that a phase III trial would be similar in design to the phase IIb trial, primarily looking for reductions in hospital admissions and corticosteroid and antibiotic use, but would require 1500 to 2000 patients, and possibly requiring two separate trials.

Mr Radford said a phase III trial would cost about $35 million to $40 million, the company had about $2.5 million in cash, but the board was of the view that a licencing deal would be preferable to raising capital and running its own phase III trial.

Mr Radford said the drug would be given monthly for three months at a cost of about $300 for the course prior to the winter season when exacerbations increased.

One analyst report expected about $200 million in revenue five years from registration.

He said that the technology’s inventor, Bioxyne medical director Prof Bob Clancy, had other ideas for development including treatments for pseudomonas and candida.

Mr Radford said that the purpose of listing on the ASX last month was to provide liquidity for shareholders as well as a greater capacity to raise capital if required.

Bioxyne was unchanged at 25 cents.

CELLMID

Cellmid says that the US Patent and Trademark Office has allowed a patent for the use of anti-midkine antibodies to increase the number of regulatory T-cells to fight disease.
Cellmid said the patent, entitled 'Method for Treatment or Prevention of Disease Associated with a Functional Disorder of Regulatory T-Cells' was a "key patent in [its] antibody patent portfolio" and added a further layer of intellectual property protection to the company's commercial program for the treatment of inflammatory and autoimmune diseases using antibodies.
The company said that regulatory T-cells were central controllers of autoimmune responses and when T-cell numbers were too low, the body's immune system could attack its own tissues, leaving the subject vulnerable to autoimmune diseases.
Cellmid said that raising regulatory T-cells numbers could mitigate against that sort of autoimmune attack.
Cellmid said that published studies showed that midkine suppressed regulatory T-cell numbers and its pre-clinical trials showed that inhibiting midkine using anti-midkine antibodies increased regulatory T cells.
The company said that in animal models inhibited midkine alleviated autoimmune disease.
Cellmid's head of product development, Darren Jones said that the patent allowance was "a significant commercial outcome for Cellmid's antibody program".
"This patent reinforces the already strong IP position of Cellmid's humanised [midkine] antibody," Mr Jones said.
Cellmid said that its first line of patent protection for its antibody program was provided by the anti-inflammatory patent family entitled 'Agents Comprising Midkine or Inhibitor Thereof as Active Ingredient' granted in all major jurisdictions including the US.
The company said that additional US patent allowance had been received for its antibody program for the treatment of surgical adhesions (BD: Apr 18, 2012).
Cellmid said that the T-cell patent added another layer of strength and extended the life of the intellectual property portfolio and two composition patent families for anti-midkine antibodies were under examination.
Cellmid was up 0.1 cents or 5.9 percent to 1.8 cents with 43.7 million shares traded.

IMMURON

Immuron says Synlait Milk will produce hyperimmune colostrum, initially for an expected increase in demand for the Travelan travelers' diarrhea prevention tablets.
Immuron chief executive officer Joe Baini told Biotech Daily that the colostrum was for Travelan in the short term and would be included in all products in the longer term.
"The short term imperative centres around expected licencing [of Travelan] in more markets around the world," Mr Baini said.
Immuron said in a media release that the Canterbury, New Zealand-based Synlait was "an innovative dairy processing company" specializing in infant and adult nutritional formulations, functional food ingredients and specialized products.
The company said that Synlait's production systems used the latest technology and had fully integrated and controlled systems, with tight calving patterns and its own in-house veterinary capabilities to deliver significant efficiencies with economies of scale.
Mr Baini said that with the increased global distribution of Travelan and other products, "it is imperative to have a partner able to accommodate the anticipated significant increase in supply capacity".
"Synlait, with its impressive infrastructure and expertise is an ideal partner," Mr Baini said.
Immuron was unchanged at 1.7 cents with 1.2 million shares traded.

VICTORIA GOVERNMENT

Biogrid Australia says the 2012 Victoria Budget has provided $60 million in funding to the Victorian Cancer Agency over the next four years.

A Biogrid spokesperson told Biotech Daily that the funds came from the Health Department's budget.

Last week, the State Budget provided $35 million for innovation through the Department of Business and Innovation (BD: May 2, 2012).

Biogrid chief executive officer Maureen Turner said the decision would support cancer research and included the development of an integrated cancer research platform bringing together a number of Victorian institutions working on cancer, including the Victorian Cancer Biobank and Biogrid Australia, under the auspices of the Victorian Cancer Agency.

"The funding and the decision to create an integrated cancer platform capitalizes on previous investments in cancer including Biogrid which was created to provide data that is used by researchers to help identify best treatments across a range of diseases in Victoria," Ms Turner said.

"The integrated cancer platform will consolidate data and biospecimen collections under one roof to better support the research community in its study of cancers in order to develop effective treatments that can be delivered to Victorians," Ms Turner said.

PROBIOTEC

Probiotec says it expects revenue for the year to June 30, 2012 to be about $65-66 million compared to $73.5 million in the previous year with profit down from $10.3 million to less than $2.3 million.

Probiotec said that contract manufacturing and branded pharmaceuticals traded well, but "weight management products … continue to experience weakness".

The company said that it hoped that new distribution would increase sales from July 2012.

Probiotec was up 1.5 cents or 5.7 percent to 28 cents.

MEDIVAC

Medivac says its subsidiary Sunnywipes has signed a collaborative agreement with the World Health Organisation to improve safety and reduce health care-related infections.

Medivac said that Sunnywipes was one of 15 companies chosen to work with the the World Health Organisation (WHO) on the Private Organizations for Patient Safety platform initiative.

The company said the platform would allow the WHO and participating companies to share information, aimed at aligning promotional messages for hand hygiene products with WHO recommendations, enhancing the quality of hand hygiene products, and encourage product availability and accessibility in all parts of the world.

Medivac executive chairman Paul McPherson said his company's products had been developed "in line with the WHO guidelines and, being natural based, are aligned with the WHO's objectives to increase health care workers' acceptance and usage".

Medivac was up 0.1 cents or 16.7 percent to 0.7 cents.