



Biotech Daily

Tuesday June 19, 2012

Daily news on ASX-listed biotechnology companies

*** ASX DOWN, BIOTECH UP: GENETIC TECHNOLOGIES UP 22%
- PATRYS DOWN 7%**

*** PETER MAC BRCA STUDY CHANGES OVARIAN CA TREATMENT, TRIALS**

*** BPH: CORTICAL DYNAMICS \$4m IPO FAILS**

*** IM MEDICAL COMPLETES SALE OF CAPITOL HEALTH SHARES**

MARKET REPORT

The Australian stock market fell 0.33 percent on Tuesday June 19, 2012 with the S&P ASX 200 down 13.6 points to 4,123.3 points.

Nineteen of the Biotech Daily Top 40 stocks were up, 10 fell, seven traded unchanged and four were untraded.

Genetic Technologies was the best, up 2.5 cents or 21.7 percent to 14 cents with 2.1 million shares traded, following its Nasdaq shares climbing 89 US cents or 26.5 percent to \$US4.25 with 1.2 million shares traded.

Impedimed climbed 5.6 percent; Prima, Reva and Sunshine Heart were up more than four percent; Clinuvel and Phosphagenics were up more than three percent; Alchemia, Acrux, Circadian, Cochlear and Pharmaxis rose more than two percent; Anteo, Heartware, Living Cell, Nanosonics, Optiscan and Tissue Therapies were up more than one percent; with CSL, Mesoblast and QRX up by less than one percent.

Patrys led the falls, down 0.2 cents or 7.4 percent to 2.5 cents, with 935,000 shares traded.

Universal Biosensors lost 6.7 percent; Allied Health, Antisense, Avita, Benitec and Viralytics lost five percent or more; Prana and Starpharma were down more than three percent; Sirtex shed 1.15 percent; with Resmed down 0.3 percent.

PETER MACCALLUM CANCER CENTRE

The Peter MacCallum Cancer Centre says its researchers have shown that genetic factors are important for ovarian cancer screening guidelines, treatment and clinical trials. The Centre said that a five year analysis of data from 1,001 women with the most common types of ovarian cancer mapped the survival outcomes and responses to multiple lines of chemotherapy.

The Centre said the findings, published in the Journal of Clinical Oncology, showed that many women with ovarian cancer who carried BRCA1 and BRCA2 mutations had no family history of breast or ovarian cancer, contradicting years of conventional thinking that only women with a family history could carry the mutations. An abstract is available at: <http://jco.ascopubs.org/content/early/2012/06/18/JCO.2011.39.8545.abstract>.

The Centre said the research, led by Prof David Bowtell and Dr Gillian Mitchell, found that the presence of BRCA mutations in ovarian cancer patients was critically important to predicting their long-term survival and responses to chemotherapy.

Prof Bowtell told Biotech Daily the team provided a full sequencing of the genes for the BRCA1 and BRCA 2 mutations in women diagnosed with ovarian cancer.

"If there is a family history the chances of carrying the mutation is fairly high, but only half of those positive for the mutation had a family history," Prof Bowtell said.

Prof Bowtell said that a 50 percent predictive value was not good enough and the research had far reaching implications for treatment and the conduct of clinical trials.

"The mutation influences the likely response to therapy, especially platinum," Prof Bowtell said. "Carriers of the mutations should continue with platinum therapy until it has been demonstrated to be non-responding."

"In clinical trials, carriers of the mutation have different response rates and do substantially better, so carrying the BRCA1 or BRCA2 mutation can influence clinical trials," Prof Bowtell said. "Knowing the person is a carrier is essential for clinical trials."

Prof Bowtell said that treatment guidelines needed to be changed to include all women with invasive epithelial cancer being offered testing for the mutation.

Prof Bowtell said that the research also changed the understanding of ovarian cancer.

"In high-grade serous cancers, accounting for the majority of deaths, the incidence of the BRCA1 or 2 mutation is 22 percent, compared to five to 10 percent for all ovarian cancers," Prof Bowtell said. "Ovarian cancers are a range of cancers that are molecularly unrelated to each other."

In the Peter MacCallum media release Prof Bowtell said that in designing and operating ovarian cancer trials, "researchers need to stratify women according to whether or not they carry a BRCA gene mutation".

"Our study mapped, for the first time, responses to first and subsequent lines of chemotherapy in exquisite detail, showing particular patterns of response," Prof Bowtell said. "In essence, the BRCA gene mutations are making the tumors more vulnerable to the killing effects of some of the most commonly used ovarian cancer drugs."

Dr Mitchell said a patient's BRCA mutation status could help direct treatments and predict responses.

"With these mutations much more common than we previously thought - about 14 per cent of all women enrolled in this study had a mutation, with 44 per cent reporting no family history of breast or ovarian cancer - we believe BRCA testing should now be offered to all women diagnosed with common ovarian cancers, regardless of their family history," Dr Mitchell said.

"In an ideal world, every woman with invasive ovarian cancer would be screened for BRCA gene mutations, and it's now our job to work with funding agencies to see if we can make that happen," Dr Mitchell said.

BPH ENERGY CORTICAL DYNAMICS

BPH Energy says its 3.6 percent subsidiary Cortical Dynamics has closed its initial public offer and will not list on the ASX.

BPH said Cortical Dynamics would not issue any securities and would repay all application monies received, without interest.

Cortical Dynamics was established in 2004 to commercialize the brain anaesthesia monitor developed by Prof David Liley's team at Melbourne's Swinburne University of Technology.

Last year BPH and Cortical announced plans to raise up to \$4 million for Cortical to list on the ASX to commercialize the monitor, but the initial public offer has been extended several times (BD: Jun 3, 2011; May 18, 2012).

In March, Cortical Dynamics began a clinical trial to validate the monitor at Melbourne's St Vincent's Hospital (BD Mar 15, 2012).

Biotech Daily is aware that there are competitor anaesthesia monitors available.

BPH fell 0.1 cents or 5.6 percent to 1.7 cents.

IM MEDICAL

IM Medical says it has completed the sale of its remaining shareholding in Capitol Health selling 2,621,114 Capitol Health shares for net proceeds of \$116,419.

IM Medical said the shares sold were the balance of Capitol Health shares held by IMI after the capital reduction by way of an in-specie distribution of Capitol Health shares.

Last year IM Medical said Capitol Health would acquire its radiology operations for 45.56 million shares and up to \$600,000 in cash, payable in three tranches over two years (BD: May 25, 2011).

IM Medical later withdrew extraordinary general meeting resolutions to sell the Mark Scott radiology business and approve a rights issue, while a resolution to issue shares and options relating to converting loans was defeated (BD: Aug 17, Dec 2, 2011).

Mark Scott Group acquired IM Medical but the company saw a raft of board changes and dissent at meetings, which followed IM's inability to commercialize its Intelliheart cardiac testing system (BD: Jun 20, 2008; Jun 10, 30, Nov 22, 2010; Feb 7, Mar 10, 2011).

IM said that the net proceeds would be distributed on a pro-rata basis to shareholders registered on the record date of April 5, 2012 who were ineligible to participate in the in-specie distribution of Capitol Health shares.

IM Medical was unchanged at 0.3 cents with 5.7 million shares traded.