



Biotech Daily

Tuesday July 17, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PATRYS UP 10%, SUNSHINE HEART DOWN 12%**
- * **CSIRO SUPPLIES PATH ANTIBODIES FOR ROTAVIRUS VACCINES**
- * **ANTISENSE REQUESTS ATL1102 ALLIANCE, LICENCING TRADING HALT**
- * **VIRALYTICS, SURREY UNIV BLADDER CANCER COLLABORATION**
- * **GI DYNAMICS ENDOBARRIER IN FRANCE, EXPANDS GERMANY, CHILE**
- * **2nd US PATENT FOR PROGEN PG500 SERIES**

MARKET REPORT

The Australian stock market climbed 0.87 percent on Tuesday July 17, 2012 with the S&P ASX 200 up 35.7 points to 4,140.8 points.

Twelve of the Biotech Daily Top 40 stocks were up, 14 fell, nine traded unchanged and five were untraded.

Patrys was the best, up 0.2 cents or 10.0 percent to 2.2 cents with 80,000 shares traded.

Circadian climbed 9.1 percent; Avita, Pharmaxis and Uscom were up more than five percent; Genetic Technologies was up 4.8 percent; Phosphagenics was up 3.6 percent; Tissue Therapies rose 2.2 percent; CSL, Impedimed and Nanosonics were up more than one percent; with Cochlear, Heartware and Sirtex up by less than one percent.

Sunshine Heart led the falls, down 0.7 cents or 12.3 percent to five cents with 483,000 shares traded.

Clinuvel fell 5.9 percent; Compumedics lost 4.5 percent; Biota, Prana and Reva were down more than three percent; Anteo, Optiscan and Starpharma shed more than two percent; Mesoblast, Universal Biosensors and Viralytics were down one percent or more; with Acrux and QRX down by less than one percent.

THE COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION

The CSIRO's material science and engineering division has been contracted to produce antibodies for vaccines against rotavirus.

A Commonwealth Scientific and Industrial Research Organisation media release said the division had been contracted by the Seattle, Washington-based Program for Appropriate Technology in Health to produce the antibodies on a large scale to aid development of vaccines for rotavirus, a major cause of severe and fatal diarrhoea in young children worldwide, killing about 500,000 children a year, mostly in developing countries.

CSIRO said that rotavirus was one of the most common causes of hospital and emergency admissions for children under five years of age in Australia.

The Organisation said that since the introduction of two rotavirus vaccines, Rotarix and Rotateq, to Australia's National Immunisation Program in 2007, hospitalizations of children under five years, due to rotavirus gastroenteritis, were reduced by more than 70 percent. CSIRO said that the Program for Appropriate Technology in Health (PATH) was working to increase access to and effectiveness of existing commercial rotavirus vaccines, while working with emerging-country vaccine manufacturers to speed up the development of safe, effective and more affordable new rotavirus vaccines.

The director of PATH's rotavirus vaccine development project Dr Georges Thiry said that CSIRO would produce "a large quantity of antibodies specific to the strains of rotavirus that are in the vaccines our partners are developing, which will serve as important material for our project".

"New vaccines and suppliers will increase the availability of rotavirus vaccines and increase competition, which in turn will help make all of the rotavirus vaccines on the market more affordable and accessible to the world's most vulnerable children," Dr Thiry said.

CSIRO protein production and fermentation group leader Dr George Lovrecz said he was "confident that CSIRO's expertise from the tissue culture and purification teams will deliver excellent results".

CSIRO said it would use its recombinant protein production facility in Clayton, Victoria, for the large-scale production of the antibodies.

"This unique, state-of-the-art facility will allow us to produce enough antibodies to supply PATH's partners for the next five years," Dr Lovrecz said.

"We will be producing six antibodies that will be used to test the quality of the rotavirus vaccines being developed," Dr Lovrecz said.

CSIRO said that the antibodies were originally prepared by Dr Carl Kirkwood from the Murdoch Childrens Research Institute and would be used by PATH's manufacturing partners in China, Brazil, India and by the US National Institutes of Health Resources.

ANTISENSE THERAPEUTICS

Antisense has requested a trading halt "pending an announcement in relation to a strategic alliance and licencing agreement with respect to ATL 1102".

Trading will resume on July 19, 2012 or on an earlier announcement.

In February, Antisense said it would form a joint venture with Tianjin International Joint Academy of Biotechnology and Medicine to develop and commercialize ATL1102 for multiple sclerosis, stem cell mobilization and asthma (BD: Feb 29, 2012).

Antisense previously licenced ATL1102 to Israel's Teva following statistically significant phase II trial results for multiple sclerosis, but Teva later returned the drug (BD: Jun 30, 2008; Mar 24, 2010).

Antisense last traded at 2.1 cents.

[VIRALYTICS](#)

Viralytics says it will collaborate on bladder cancer with the University of Surrey in Guildford UK.

Viralytics said that the University of Surrey's head of oncology Prof Hardev Pandha was a "recognized researcher and opinion-leader in the field of virotherapy", had published extensively on the pre-clinical and clinical activity of oncolytic viruses and had run numerous phase I and phase II clinical evaluations of various oncolytic viruses.

The company said the collaboration would focus on the laboratory-based use of Cavatak, or coxsackievirus A21, for potential treatment of superficial bladder cancer.

Viralytics said that Prof Pandha's research team had developed pre-clinical models which would be used to assess the activity of Cavatak in superficial bladder cancer.

"We are very excited to be involved in assessing the activity of Cavatak in superficial bladder cancer, a condition that is eager for development of novel therapeutic strategies," Prof Pandha said.

"The current world-wide shortage of a Bacille Calmette-Guérin (BCG), a common treatment for this condition, highlights the urgent need for new treatment options," Prof Pandha said.

Viralytics said that in the US alone, about 70,000 new cases and 15,000 deaths from bladder cancer.

Viralytics fell half a cent or 1.7 percent to 28.5 cents.

[GI DYNAMICS](#)

GI Dynamics said the first patients to receive Endobarriers in France were implanted at University Hospital Lille Hôpital Claude Huriez led by Prof Francois Pattou.

Prof Pattou said the hospital was offering Endobarrier implantation to a pilot series of patients.

"Type 2 diabetes incidence is increasing in France and roughly 14.5 percent of the adult population is now obese, so we are pleased to offer these patients an alternative solution that will enable them to lose weight, get their blood sugar under control and improve their overall health," Prof Pattou said.

The company said it had expanded commercial centers in Germany including University Hospital Schleswig-Holstein at Lübeck, led by Prof Morten Schütt, and Red Salud UC in Santiago, Chile had been designated a GI Dynamics 'centre of excellence' and had implanted more than 200 patients with the Endobarrier to date.

GI Dynamics said the Endobarrier was also available at Clinica Indisa and Clinica Reñaca in Chile.

"Endobarrier therapy is becoming a valuable treatment option for our center, particularly for those patients whose type 2 diabetes and obesity cannot be well controlled with medications or lifestyle changes," Prof Schütt said.

"Germany, unfortunately, has one of the highest rates of diabetes prevalence and diabetes mortality in the EU, so new treatment options that address and improve this disease are very much needed," Prof Schütt said.

GI Dynamics chief commercial officer Mark Twyman said the company was "pleased with our progress in introducing Endobarrier into new markets and expanding and designating additional treatment centers in existing commercial markets".

"We are working with some of the most prominent diabetes and obesity physicians at leading centers around the world and they all see the clear need for better options to treat these chronic diseases," Mr Twyman said.

GI Dynamics was up two cents or 2.3 percent to 90 cents.

[PROGEN PHARMACEUTICALS](#)

Progen says the US patent and Trademark Office has granted an additional patent, entitled 'Sulfated Oligosaccharide Derivatives' for its PG500 series technology.

Progen said the new patent, 8,173,606 expiring in 2025, was based on a continuation application related to US patent 7,875,592 also entitled 'Sulfated Oligosaccharide Derivatives' (BD: Jan 25, 2011).

The company said that its PG500 series of compounds were the result of an internal research program to develop single molecular entity heparan sulfate mimetic compounds. Progen said that the two US patents provided protection to the compounds, directed at pharmaceutical and veterinary compositions for use in a variety of therapeutic areas predominantly related to oncology, angiogenesis and metastasis.

Progen was up two cents or 10 percent to 22 cents.

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