Biotech Daily

Thursday August 9, 2012

Daily news on ASX-listed biotechnology companies

*** ASX EVEN, BIOTECH UP: COMPUMEDICS UP 18%, PSIVIDA DOWN 14%**

*** NOVOGEN'S MEI BUYS SBIO'S PRACINOSTAT FOR $US500k SCRIP**

*** PSIVIDA PLACES $5.36m**

*** JAPAN TO GRANT VIRALYTICS CAVATAK MULTIPLE MYELOMA PATENT**

*** BIOTA NABI, NASDAQ SCHEME MEETING SET FOR SEPTEMBER 25**

*** NEUREN APPOINTS DR JOSEPH HORRIGAN HEAD OF CLINICAL, MEDICAL**

*** EASTLAND PLEADS SCHULTZ , PATIENT ENROLMENT TO ASX 41% QUERY**

MARKET REPORT

The Australian stock market slipped 0.1 percent on Thursday August 9, 2012 with the S&P ASX 200 down 4.3 points to 4,308.3 points.

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

Compumedics was the best, up 1.5 cents or 17.65 percent to 10 cents with 115,000 shares traded, followed by Cellmid up 0.2 cents or 12.5 percent to 1.8 cents with 520,000 shares traded.

Viralytics climbed 7.55 percent; Alchemia and Prima were up more than four percent; Living Cell, Phylogica, Prana and Sirtex were up more than three percent; Tissue Therapies rose 2.4 percent; Circadian and Heartware were up more than one percent; with Acrux, Biota, Cochlear and Pharmaxis up by less than one percent.

Psivida led the falls, down 30 cents or 14.3 percent to $1.80 with 15,600 shares traded.

Genetic Technologies lost eight percent; Bioniche fell 7.5 percent; Sunshine Heart was down 6.4 percent; both Impedimed and Patrys lost five percent; Clinuvel and QRX fell more than four percent; Mesoblast and Starpharma shed more than two percent; Anteo and Nanosonics were down more than one percent; with CSL, Resmed and Reva down by less than one percent.

NOVOGEN, MEI PHARMA (FORMERLY MARSHALL EDWARDS)

Novogen says 63.5 percent subsidiary MEI Pharma (formerly Marshall Edwards) will acquire SBio Pte Ltd's Pracinostat, investigational, oral histone deacetylase inhibitor.

MEI Pharma chief executive officer Dr Daniel Gold said the Singapore-based SBio's Pracinostat, was "a potential best-in-class, late-stage compound with activity against a validated target".

"The acquisition of Pracinostat broadens our potential addressable market in oncology with applications in both haematologic disorders and solid tumors," Dr Gold said.

"We believe that the addition of this targeted small molecule to our existing portfolio of novel isoflavone-based drug candidates, ME-143 and ME-344, will significantly enhance shareholder value," Dr Gold said.

"Pracinostat is an orally available, selective [histone deacetylase] inhibitor that has demonstrated clinical evidence of single-agent activity, including studies in patients with advanced haematologic disorders such as acute myeloid leukaemia and myelofibrosis," Dr Gold said.

"In addition, Pracinostat has demonstrated pharmacokinetic properties in the clinic that compare favorably to other compounds of this class," Dr Gold.

Novogen said MEI Pharma would issue $US500,000 of its US common stock to SBio and the agreement included success-based clinical, regulatory and sales milestone payments of up to $US75.2 million, as well as low single-digit contingent earn-out payments based on net sales.

Novogen said the transaction was expected to close on or about August 28, 2012, subject to SBio shareholder approval and certain customary closing conditions.

The company said that histone deacetylases (HDAC) belonged to a larger set of proteins collectively known as epigenetic regulators that could alter gene expression by chemically modifying DNA or its associated chromosomal proteins.

Novogen said that abnormal activity of these regulators was believed to play an important role in cancer and other diseases.

The company said that two HDAC inhibitors were approved by the US Food and Drug Administration for the treatment of cutaneous T-cell lymphoma, one of which is also approved for the treatment of peripheral T-cell lymphoma.

Novogen said that Pracinostat had been generally well-tolerated in clinical testing of more than 150 patients, with manageable side effects, primarily fatigue, associated with drugs of this class.

The company said that data from a phase II clinical trial of oral Pracinostat showed evidence of single-agent activity in heavily pre-treated patients with intermediate or high-risk myelofibrosis, with two patients showing a clinical improvement.

Novogen said the results were scheduled for publication in the September 2012 issue of Leukemia Research.

The company said that Pracinostat also demonstrated pre-clinical activity in both haematologic disorders and solid tumors when used alone or in combination with a wide range of therapies in laboratory studies.

Novogen said data published in the May 2012 issue of Blood Cancer Journal demonstrated synergistic pre-clinical activity when Pracinostat was combined with an experimental JAK2 inhibitor, also developed by SBio and recently acquired by Cell Therapeutics Inc.

The company said that Pracinostat had not been approved for commercial distribution.

Novogen was untraded at eight cents.

PSIVIDA

Psivida says it has closed its $US5.36 million placement to institutional investors through the issue of 2,494,419 shares of common stock and warrants for 623,605 shares.
Psivida said the stock and warrants (options) were sold in units, with each unit consisting of one share and a warrant to buy 0.25 shares for $US2.15 a unit, with each warrant exercisable at $US2.50 within six months of issue.
Psivida said the proceeds would be used for general corporate purposes, including clinical trials for posterior uveitis and other business operations.
The company said that Rodman & Renshaw acted as sole placement agent.
Psivida fell 30 cents or 14.3 percent to $1.80.

VIRALYTICS

Viralytics says it has notice of an expected grant of a Japanese patent for the use of Coxsackie A viruses including Cavatak for the treatment of multiple myeloma.
Viralytics said that Japan was the world's third largest pharmaceutical market after the US and Europe.
The company said that multiple myeloma was an important blood cancer for which the patient prognosis was exceptionally poor and the medical need was large.
Viralytics said that the patent covered the use of a pharmaceutical composition of any of the Coxsackieviruses A13, A15, A18, A20 and A21 in treating multiple myeloma.
The company said that its Cavatak (Coxsackievirus A21) was in a US multicentre phase II clinical study for late stage melanoma.
Viralytics said that patient recruitment was progressing well and a significant number of patients had received multiple injections of Cavatak.
Viralytics was up two cents or 7.55 percent to 28.5 cents.

BIOTA HOLDINGS

Biota says it will hold a shareholders scheme of arrangement meeting at the Melbourne Convention Centre on September 25, 2012.
Biota said the Supreme Court of Victoria ordered the shareholders meeting to vote on the scheme of arrangement to form Biota Pharmaceuticals listed on the Nasdaq through the takeover of Nabi Biopharmaceuticals (BD: Apr 23, 2012).
The company said the board unanimously recommended that shareholders vote in favor of the scheme, in the absence of a superior proposal and that each director intended to vote all their shares in favor of the scheme.
Biota said information, including the notice convening the meeting and an independent expert's report, would be included in a scheme booklet expected to be sent to shareholders following registration with the Australian Securities and Investments Commission.
Biota chief executive officer Peter Cook told Biotech Daily that he expected the scheme booklet to be registered with ASIC tomorrow and released immediately after.
Mr Cook said that for the scheme to be approved, 75 percent of all shares voted and 50 percent of shareholders voting, either in person or by proxy, need to support the proposal.
The scheme meeting will be held on September 25, 2012 in Meeting Rooms 109 and 110, at the Melbourne Convention Centre, 1 Convention Centre Place, South Wharf, Melbourne, at 2pm.
Biota was up half a cent or 0.7 percent to 68 cents.

NEUREN PHARMACEUTICALS

Neuren says it has appointed Dr Joseph Horrigan vice-president of clinical development and medical affairs.

Neuren said Dr Horrigan was most recently the assistant vice-president and head of medical research at Autism Speaks, North America's largest autism science and advocacy organization.

The company said that Dr Horrigan oversaw the organization's medical research and training programs including consulting with academic and industry groups on clinical trial design and endpoints in neuro-developmental disorders.

Neuren said Dr Horrigan was a widely respected neuro-psychiatrist and a practicing child and adolescent psychiatrist since 1992.

Prior to Autism Speaks, Dr Horrigan coordinated paediatric drug development at Glaxosmithkline's neurosciences medicines development center and directed Glaxosmithkline's medicines for children advisory network, which consults with all therapeutic areas on paediatric drug development issues.

Neuren said that Dr Horrigan had led phase I to phase IV clinical development programs across a wide range of neurologic and psychiatric conditions including bipolar disorder, attention-deficit hyperactivity disorder, multiple sclerosis, Alzheimer's disease, schizophrenia, major depressive disorder, insomnia, pediatric epilepsy, and neuro-developmental disorders.

The company said that Dr Horrigan was a clinical associate professor in the department of psychiatry at the University of North Carolina at Chapel Hill.

Neuren chief executive officer Larry Glass said Dr Horrigan's "leadership and perspective will be critical to study design and execution" of the company's clinical trials in neuro-developmental disorders and head injury.

Neuren was unchanged at 2.2 cents.

EASTLAND MEDICAL SYSTEMS

Eastland has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose from 1.7 cents on August 3 to 2.4 cents today, August 9, 2012, a 41.2 percent increase and noted an increase in trading volume.

Eastland said that the share price movement could be related to a July 30, 2012 announcement that the majority of the patients had been enrolled in its phase III trial of Artimist for paediatric malaria.

Eastland was up 0.3 cents or 14.3 percent to 2.4 cents with 1.9 million shares traded.