



Biotech Daily

Monday December 10, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: ALLIED HEALTH UP 9%, GENERA DOWN 12%**
- * **PATRY'S DOSES 1st THREE PAT-SM6 MULTIPLE MYELOMA PATIENTS**
- * **VIRALYTICS PLANS UK CAVATAK IV CANCER TRIAL**
- * **AVEXA SIGNS POTENTIAL ATC DISTRIBUTORS**
- * **ALLAN GRAY (ORBIS) TAKES 10% OF NANOSONICS**
- * **EUROPEAN PATENT FOR OBJ'S DERMAPORTATION TECHNOLOGY**
- * **AVEXA REDUCES TO 10% OF ALLIED HEALTH**
- * **CONSEGNA REQUESTS CAPITAL RAISING TRADING HALT**
- * **GENETIC TECHNOLOGIES: ALISON MEW CEO, BEN SILLUZIO DIRECTOR**
- * **EX-CEO DR PAUL TAN REPLACES LIVING CELL CSO PROF BOB ELLIOTT**

MARKET REPORT

The Australian stock market rose 0.13 percent on Monday December 10, 2012 with the S&P ASX 200 up 6.1 points to 4,557.9 points. Twelve of the Biotech Daily Top 40 stocks were up, 17 fell, eight traded unchanged and three were untraded. All three Big Caps fell.

Allied Health was the best, up 0.2 cents or 8.7 percent to 2.5 cents with 161,500 shares traded. Tissue Therapies climbed 6.45 percent; Circadian was up 4.3 percent; Nanosonics, Phosphagenics and Starpharma were up more than three percent; Ellex and Prana rose more than two percent; Sirtex was up 1.3 percent; with Clinuvel, Heartware and Mesoblast up by less than one percent.

Genera led the falls, down 1.5 cents or 12 percent to 11 cents with 92,000 shares traded, followed by Compumedics down 11.3 percent to 5.5 cents with 50,000 shares traded and Optiscan down 10 percent to nine cents with 50,000 shares traded.

Patrys lost 6.25 percent; Anteo, Living Cell, Prima and Reva fell four percent or more; Acrux, Bionomics and Sunshine Heart lost more than three percent; CSL, Neuren, Pharmaxis and QRX shed more than two percent; Impedimed, Genetic Technologies and Universal Biosensors were down one percent or more; with Cochlear and Resmed down by less than one percent.

PATRY'S

Patry's says it has completed the initial treatment of the first group of patients in its phase I/IIa trial of PAT-SM6 for multiple myeloma.

Patry's said the first group of three patients was treated at Germany's University Hospital of Würzburg department of haematology and oncology, with each patient receiving four doses of 0.3mg/kg of the PAT-SM6 antibody.

The company said that, to date, no significant safety issues had been observed or reported for any of the three patients.

Patry's said it expected that full data on the first cohort would be available by April 2013.

The company said the trial was an open-label, multi-dose escalation trial in relapsed and multi-resistant patients with multiple myeloma who had failed all currently marketed drugs and had a very poor prognosis.

Patry's said that initially, 12 patients would be enrolled in four dosing groups and would receive a minimum of two cycles or four doses of treatment.

The company said that if a patient showed a partial response to treatment with PAT-SM6 an additional cycle of two doses would be offered.

Patry's said the primary objective of the study was to evaluate the safety and tolerability of escalating doses of PAT-SM6 and the secondary objective was to measure efficacy as determined by a series of well-established laboratory assays.

The company said the open-label study's data would be released on an ongoing basis.

The University Hospital of Würzburg's Dr Leo Rasche said his team saw "many patients in our clinic who have relapsed on all currently-available therapies we are confident that we will be able to continue to recruit patients in a timely manner," Dr Rasche said.

Patry's fell 0.3 cents or 6.25 percent to 4.5 cents with 1.8 million shares traded.

VIRALYTICS

Viralytics says its next clinical study evaluating multi doses of intravenous route Cavatak will be in the United Kingdom, but did not say when.

Viralytics said the proposed intravenous signal-seeking study would have about 30 patients with late stage non-small cell lung cancer, castrate-resistant prostate cancer, metastatic bladder or melanoma.

The company said that Cavatak selectively bound to the ICAM-1 receptors expressed in a broad range of cancers and then worked its way into the cancer cells.

Viralytics said the lead investigators would be the University of Surrey's Prof Hardev Pandha, the Institute of Cancer Research and Royal Marsden Hospital, London's Prof Kevin Harrington and Leeds St James's University Hospital's Prof Alan Melcher.

Viralytics said the clinical trial protocols were being finalized before submission to the UK Medicines and Healthcare products Regulatory Agency.

The company said that in the first stage of the study patients would be administered multi-doses of Cavatak up to a maximum of one billion infectious viral particles.

Viralytics said that in the later stage, combination studies would assess standard of care chemotherapy such as docetaxel.

The company said that initial pre-clinical studies had not identified any adverse actions of such chemotherapy agents on the activity of Cavatak.

Viralytics chief medical officer Dr Jeffrey Weisberg said that intravenous delivery of Cavatak "would instantly expand the range of potential target cancers".

"This would consequently make Cavatak of heightened interest to the larger pharmaceutical companies," Dr Weisberg said.

Viralytics was unchanged at 31 cents.

AVEXA

Avexa says that, pending registration, it has signed distributors for its anti-HIV drug apricitabine or ATC in Latin, America, Australasia, Turkey, Korea and Taiwan. Avexa said it had collaborated with the London-based Egamid to search for sales and marketing partners for apricitabine.

The company said that option agreements to market apricitabine included DEM Ilac for Turkey and surrounding regions, Dongwha Pharmaceuticals for Korea; Link Healthcare for Australia, New Zealand and South Africa; Sanfer for Latin America; and Shiner for Taiwan. Avexa said the option agreements included a commitment from the partner to market apricitabine in specified jurisdictions, once Avexa completed the remaining development and obtained regulatory approval.

Avexa said it had secured "further option agreements with other regional pharmaceutical companies, the details of which remain confidential owing to commercial sensitivities surrounding negotiation for similar market regions and the need to protect the confidentiality of their marketing plans and strategies from their competitors".

The company said that other companies were "progressing through the due diligence process" for Europe, Canada, Eastern Europe, Russia, India, Thailand, and China".

Avexa chairman Iain Kirkwood said the company was working to finalize the additional partners, as well as increasing efforts to secure marketing partners for the US.

Avexa was up 0.1 cents or five percent to 2.1 cents.

NANOSONICS

Allan Gray Australia has increased its substantial holding in Nanosonics from 23,049,955 shares (8.83%) to 25,707,043 shares (9.84%).

Allan Gray, formerly Orbis Investment Management, said the 2,657,088 shares were acquired between October 24 and December 6, 2012 for \$1,350,211 or an average price of 50.8 cents a share.

Nanosonics was up 1.5 cents or 3.2 percent to 49 cents.

OBJ

OBJ says it has been allowed a European patent application protecting its Dermaportation powered electromagnetic drug and cosmetic delivery technology.

OBJ said the same patent, entitled 'Apparatus for facilitating transdermal delivery of therapeutic substances and method of transdermally delivering therapeutic substances' was allowed in the US in November of 2011 (BD: Nov 3, 2011).

The company said the granting of the patent normally occurred within six months.

OBJ was up 0.3 cents or 17.65 percent to two cents with 23.4 million shares traded.

ALLIED HEALTHCARE GROUP, AVEXA

AVI Capital Pty Ltd and parent company Avexa have reduced their substantial holding in Allied Health from 90,892,923 shares (11.34%) to 81,689,680 shares (10.19%).

Avexa said that it sold the shares between October 19 and November 30, 2012 with the single largest sale 2,097,873 shares for \$56,643 or 2.7 cents a share

Allied Health was up 0.2 cents or 8.7 percent to 2.5 cents.

CONSEGNA GROUP

Consegna has requested a trading halt “pending an announcement in relation to a proposed capital raising”.

Trading will resume on December 12, 2012 or on an earlier announcement.

Consegna last traded at 0.4 cents.

LIVING CELL TECHNOLOGIES

Living Cell has appointed former chief executive officer Dr Paul Tan as chief science and medical officer, replacing founder Prof Bob Elliott.

Living Cell said that Prof Elliott had been the acting chief science and medical officer since June this year and would focus on governance roles as a director of the company and chair of the joint venture company Diatranz Otsuka.

The company said that Prof Elliott would continue as a part-time director of clinical research and innovation, providing strategic advice.

Living Cell said that Dr Tan would lead the clinical trial program for Diabecell and NTCCell as well as lead the research and development and technology transfer teams.

The company said Dr Tan was appointed managing director in 2004 and was chief executive officer from 2008 to 2010 (BD: Jan 16, 2009; Sep 23, 2010).

Living Cell said that Dr Tan had more than 18 years’ experience in senior roles in the biotechnology industry, leading research and development teams into clinical trials in the US, UK, New Zealand, Philippines, Brazil and Russia and managed relationships with regulatory bodies including New Zealand’s Medsafe, the US FDA and the US Centre for Disease Control.

The company said that Dr Tan had secured substantial government and private investor funding for the research and development of therapeutic products.

Living Cell managing director Dr Andrea Grant said that Dr Tan had extensive knowledge of the company and brought “an enviable reputation in the New Zealand and Australian biotechnology, government and health sectors”.

“I’m truly excited to have him re-join the team,” Dr Grant said.

Living Cell said that both the chief science and medical officer and the clinical research and innovation director reported to the managing director.

The company said that Dr Tan was the chair of NZBIO, the New Zealand industry association for bioscience.

Living Cell said that Dr Tan took Diabecell, the world’s first animal to human cell therapy program, to regulatory approval for clinical trials, developing the designated pathogen-free pig facility suitable for human therapeutics under international guidelines.

The company said that previously Dr Tan was the chief executive officer of Centec a company spun-off from Centenary Institute for Cancer and Cell Biology, affiliated to the University of Sydney, from 2002 to 2004.

Living Cell said that Dr Tan was the founding deputy director and head of health research at Genesis Research and Development Corporation from 1994 to 2002, where he managed the intellectual property and patent filings and the clinical trial program.

The company said that prior to his career in the biotechnology industry Dr Tan was professor of immunology at the University of Auckland and a rheumatology consultant at Auckland Hospital.

Dr Tan holds a Bachelor of medicine Bachelor of Surgery from the University of Singapore and undertook postgraduate training at the University of Toronto.

Living Cell fell 0.2 cents or 4.35 percent to 4.4 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says acting chief executive officer Alison Mew has been appointed as the chief executive officer and Ben Silluzio has been appointed as a director.

Genetic Technologies chairman Dr Mal Brandon said that Ms Mew had been the company's chief operating officer for more than three years and "she played a key role in the establishment of the group's US operations along with securing the Australian laboratory's US compliance".

"We are confident that she is well placed to lead the company through its next stages of development in both the Australian and US markets," Dr Brandon said.

Genetic Technologies said that Mr Silluzio had been appointed as non-executive director and specialized in the provision of advice for sophisticated investors, institutional clients and high net worth families.

The company said that Mr Silluzio was the managing partner and desk head of RBS Morgans family office and was a director of Private Branded Beverages and a former president and chairman of the Italian Chamber of Commerce.

Genetic Technologies said that, previously, Mr Silluzio had held several senior positions in the stockbroking and funds management industries, including as a director of UBS Wealth Management Australia, senior vice-president of Credit Suisse First Boston in Melbourne, vice-president and member of the Smith Barney Century Council at Citigroup Smith Barney in Melbourne and as an institutional client advisor at Colonial Institutional Stockbroking in Sydney and Melbourne.

Genetic Technologies fell 0.1 cents or 1.25 percent to 7.9 cents.