Biotech Daily

Wednesday February 6, 2013

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: BENITEC UP 7%, GENERA DOWN 4%**

*** ALLIED, CSIRO STUDY: CARDIOCELL PROMOTES STEM CELL GROWTH**

*** ECO QUEST, CYNATA PROVE STEM CELL ISCHEMIC LIMB CONCEPT**

*** MAYNE PLAN RAISES $5.1m**

*** VICTORIA PREMIER'S AWARD NOMINATIONS OPEN**

*** CAPITAL GROUP CLIENTS REDUCE TO 6% OF COCHLEAR**

*** LIND FUND TAKES 5.5% OF CONSEGNA**

*** MEDICINES AUSTRALIA: DRUG EXPORTS BEAT CARS, WINE**

*** AVITA APPOINTS NOVARTIS V-P DIRECTOR**

*** UNIVERSAL BIOSENSORS DIRECTOR DR COLIN ADAM TO RETIRE**

MARKET REPORT

The Australian stock market was up 0.78 percent on Wednesday February 6, 2013 with the S&P ASX 200 up 38.3 points to 4,921.0 points.

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

Benitec was the best, up 0.1 cents or 7.1 percent to 1.5 cents with 117,480 shares traded.

Alchemia and Impedimed climbed more than six percent; Circadian was up five percent; Mesoblast, Optiscan and Phylogica were up four percent or more; Allied Health was up 3.85 percent; CSL, Ellex, Genetic Technologies, GI Dynamics, Heartware, Medical Developments, Neuren, Patrys and Starpharma rose more than two percent; with Compumedics, Nanosonics, Sirtex and Viralytics up one percent or more.

Both Genera and Prima led the falls, down half a cent or 4.35 percent to 11 cents with 17,354 and 2.9 million shares traded, respectively, followed by Cochlear down 4.1 percent to $70.00 with 1.3 million shares traded.

Tissue Therapies lost 3.7 percent; Reva shed 2.15 percent; Bionomics was down 1.2 percent; with Acrux and Pharmaxis down by less than one percent.

ALLIED HEALTHCARE GROUP, CSIRO

Allied says a Commonwealth Scientific and Industrial Research Organisation study found its Cardiocel tissue patches superior for stem cells survival compared to other tissues.
Allied said the joint study compared the Cardiocel engineered bovine tissue against glutaraldehyde-prepared tissue, which was widely used in cardiac repair surgery, and assessed their ability to maintain a viable population of mesenchymal stems cells.
Allied said that the study showed significantly better stem cell viability at one day after seeding of the Cardiocel tissue relative to the control tissue and at seven days post-seeding, virtually no of mesenchymal stems cells survived on the control tissue, while the of mesenchymal stems cells on the Cardiocel patch material were viable, healthy and appeared to be infiltrating the tissue.
The company said that stem cells were found to divide and survive as viable cells on the Cardiocel tissue matrix over an extended period of time; whereas in the control very few stem cells remained.
Allied said that staining of these cells also suggested they were producing the muscle protein F-actin and detailed examination showed stem cells adhering to the Cardiocel matrix whereas the control matrix showed cells to be rounded and loosely attached.
The company said that the striking differences were “highly supportive of the continuation of the development of Cardiocel and other Adapt-treated tissue based products as new platforms for the proliferation and delivery of stem cells.
Allied said that the in-situ data suggested that Cardiocel tissue could support seeding by endogenous stem cells allowing true regeneration of the tissue.
The company said that the studies provided additional evidence to preliminary in-vivo data where, in addition to the Adapt tissue showing significantly reduced calcification, it also supported cell viability and growth as evident from tissue infiltration of implanted tissues.
Allied managing director Lee Rodne said the data supported Cardiocel for tissue regeneration in reconstructing heart valves and broadened the potential of the Adapt tissue engineering prepared tissue to be used as scaffolds to seed and deliver stem cells for soft tissue repair.
“This is exciting as it expands the potential of our Adapt tissue to be used as a truly regenerative treatment for a number of diseases and conditions,” Mr Rodne said.
He said Cardiocel was the first product and would be launched within the next 12 months.
Allied said that its sheep cardiac trial showed that autologous tissue formed around the Cardiocel product, including the formation of endothelial and muscle cells and that Cardiocel was suitable for tissue regeneration, either via implanted stem cells or through autologous tissue regeneration (BD: Nov 28, 2012).
The company said that the lack of cytotoxicity and other advantageous characteristics made it a favorable bioscaffold to grow and/or deliver stem cells for cardiovascular repair.
Allied’s head of regenerative medicine Bob Atwill said the study provided “evidence that our regenerative tissue could be used as a biological scaffold for stem cell delivery in the treatment of other soft tissue injuries”.
CSIRO biomedical materials and devices theme leader Dr Keith McLean said that “as well as offering advancement in the potential delivery of stem cells, these data also indicate that the Cardiocel tissue has regenerative potential”.
“As we move into the next phase of our collaboration, these findings offer a number of very promising avenues to pursue,” Dr McLean said.
Allied Healthcare Group is evaluating how the Adapt platform technology can be used in pelvic floor reconstructions, hernia repairs and orthopaedics, as well as a biological scaffold to grow and deliver stem cells.
Allied Health was up 0.1 cents or 3.85 percent to 2.7 cents with 19.8 million shares traded.

ECO QUEST

Eco Quest says that 27 percent-owned subsidiary Cynata's proof-of-concept study, indicates a potential role for mesenchymo-angioblast-based therapeutics for critical limb ischemia.

Eco Quest said that critical limb ischemia was a disease of poor blood supply, or ischemia, to a limb, and was commonly found in diabetic patients.

The company said the disease caused severe pain and skin ulcers, with up to 30 percent of patients having a lower limb amputation within a year of diagnosis.

Eco Quest said that the principal goal of critical limb ischemia management was the avoidance of amputation and its mesenchymo-angioblast cells were "critical precursors to the vascular system".

The company said the study was conducted by the University of Wisconsin School of Medicine and Public Health, with mesenchymal stem cells grown from mesenchymo-angioblast cells were administered to mice with experimentally-induced ischemia in one of their hind legs.

Eco Quest said the mice were tested over the next four weeks to assess whether or not injecting the mesenchymal stem cells into the ischemic leg had any impact on the blood flow and other symptoms.

The company said that cell-treated mice lost significantly fewer nails and toes than did saline-treated control animals and that while some of the treated mice lost toenails, some of the saline-treated animals lost their entire foot.

Eco Quest said that imaging showed that blood flow returned to the injured limb much faster in the mesenchymal stem cells-treated mice, than in those animals treated just with saline.

The company said that one possible reason was the stimulation of new blood vessel formation by the stem cells, which Cynata would investigate further.

Eco Quest said that the gastrocnemius muscle into which the cells or saline were injected was protected from ischemic injury in the stem-cell treated animals as well as being substantially larger, heavier and more healthy-looking.

The company said the cell-therapy was invented by Cynata co-founder Prof Igor Slukvin who said that the experiment was "an excellent demonstration of the potential effectiveness of Cynata's cellular therapeutics platform".

"The mouse hind limb ischemia model is widely used as a test for therapies for [critical limb ischemia] and here we can see that Cynata's [mesenchymal stem cells] preserved limb form and function," Prof Sluvkin said.

"Since prevention of amputation is a key goal of physicians treating CLI, we find this data extremely encouraging," Prof Sluvkin said.

Cynata chief executive officer Dr Allen Bollands said that Cynata's cellular platform was "based on pluripotent stems cells and has a number of characteristics which make it very attractive as a therapeutic agent".

"Not the least of these is the potential to make massive quantities of uniform, well characterized, pharmaceutical grade cells in a cost effective manner," Dr Bollands said.

"However, clearly, we also need to know that the cells have therapeutic affect as well," Dr Bollands said.

Eco Quest said that Cynata has exclusive access to investigate from mesenchymo-angioblast cells and was in the process of negotiating an exclusive global licence.

Eco Quest was up 0.1 cents or 5.6 percent to 1.9 cents.

MAYNE PHARMA GROUP

Mayne says that its share purchase plan at 29.5 cents a share and capped at $5 million was heavily oversubscribed with applications for about $9.2 million in shares.
Mayne said that the excess subscription monies would be refunded to all applicants as soon as reasonably practicable.
The company said that it also raised about $136,000 in a placement to US shareholders on substantially the same terms as the share plan.
Mayne said the funds would be used to accelerate the development, registration and marketing of its existing product pipeline.
Mayne fell half a cent or 1.3 percent to 37.5 cents.

VICTORIA GOVERNMENT

Victoria Premier Ted Baillieu has called for early career health and medical researchers to nominate for the 2013 Premier's Award for Health and Medical Research.
A Victoria Government media release said the awards were in their 19th year and recognized the achievements of young Victorian scholars who had recently completed, or were soon to complete, postgraduate studies in health and medical research.
Mr Baillieu urged early career health and medical researchers to nominate themselves or their peers who had achieved exceptional success.
"In Victoria we have outstanding depth in terms of our knowledge base and capacity to carry out leading-edge research, and it is important that we continue to acknowledge and celebrate those individuals who demonstrate excellence early in their careers," Mr Baillieu said.
"Recipients of the Premier's Award are our future leaders in health and medical research, and may hold the key to discoveries in fields such as cancer, diabetes, and tuberculosis," Mr Baillieu said.
"Victoria's health and medical researchers' … outstanding work has contributed to many significant breakthroughs being developed here in Victoria and has built on our international reputation as a hub of excellence and expertise," Mr Baillieu said.
The media release said that the Premier's Award program provided $40,000 in prize money, with $16,000 presented to the winner and $8,000 to each of three commendees.
The Government said that applications opened on February 4 and close on March 15, 2013, with the winner and commendees to be announced during Medical Research Week in June 2013.
For further information and to apply go to: www.business.vic.gov.au/premiersaward or call the Australian Academy of Technological Sciences and Engineering on +613 98640911.

COCHLEAR

The US based Capital Group Companies has further reduced its substantial shareholding in Cochlear from 3,789,642 shares (6.70%) to 3,227,012 shares (5.66%).
Capital Group increased its holding in Cochlear to as much as to 7,322,475 shares (13.03%) on September 11, 2009, before beginning reductions in May (BD: May 11, 2010).
Capital Group said it did not own shares in Cochlear but held them on account for Capital Research and Management Company.
Capital Group said it bought and sold shares between February 9, 2011 and February 4, 2013 at a range of prices from $5.58 to $80.83.
Cochlear fell $2.96 or 4.1 percent to $70.00 with 1.3 million shares traded.

CONSEGNA GROUP

The Lind Partners Australian Special Opportunity Fund has become a substantial shareholder in Consegna with the acquisition of 75,002,032 shares or 5.99 percent.
The initial substantial shareholder notice said that the New York-based Lind Partners was the manager of the Australian Special Opportunity Fund and acquired the shares at 0.2 cents a share as part of its equity draw-down facility (BD: Jul 16, 2012).
Lind Partners managing director Jeff Easton was formerly the managing director of the Springtree Global Investors and the Lind Partners website says that Consegna's chairman Martin Rogers is a senior adviser to the asset management firm.
Consegna was unchanged at half a cent with 2.2 million shares traded.

MEDICINES AUSTRALIA

Medicines Australia says the industry had its best export performance in 2012, with exports of $4.3 billion compared to the car industry's $3 billion and $2 billion for wine.
Medicines Australian quoted Australian Bureau of Statistics data published yesterday showing that exports of pharmaceutical and medicinal products were up $578 million or 15 percent on the previous year.
The industry organization said that medicines was the Australian manufacturing sector's biggest high-technology export earner.
Medicines Australia chief executive Dr Brendan Shaw said the growth of exports showed the potential if the industry was supported by strategic Government incentives.
"In many respects the medicines industry has had a very tough year, with substantial price cuts, challenging policy settings, delays in having medicines subsidized, declining competitiveness and more than 300 job losses," Dr Shaw said.
"Against that background, for the medicines industry to achieve its strongest export result on record underscores the industry's potential for long-term growth and sends a very clear signal that this is an industry worth backing," Dr Shaw said.
"This kind of result highlights the industry's potential to be a key player in the post-mining boom economy," Dr Shaw said.
Dr Shaw said there was "a very strong case for the Government to establish an industry-neutral strategic co-investment fund to provide new investment in new manufacturing and research and development projects that benefit the nation".

AVITA MEDICAL

Avita says that Dr Michael Perry has been appointed as a director.
Avita said that Dr Perry was the Novartis Pharmaceuticals Corp vice-president of stem cell therapy and had more than 25 years in pharmaceutical and biotechnology management and development experience.
Avita said that Dr Perry was based in the US and had previously served as the head of research and development at Baxter Healthcare, the president of cell and gene therapy at Novartis affiliates Systemix and Genetic Therapy, the vice-president of regulatory affairs at Sandoz Pharmaceuticals, director of regulatory affairs at Schering-Plough Corp and chairman, chief executive officer and chief medical officer at several early stage biotechnology companies.
The company said that from 2005 to 2012, Dr Perry was a venture partner with the a California-based Bay City Capital managing more than $US1.6 billion invested predominantly in life science companies.
Avita was unchanged at 12 cents.

UNIVERSAL BIOSENSORS

Universal Biosensors says that Dr Colin Adam will retire as a director at the annual meeting to be held in May 2013.
Universal Biosensors said that Dr Adam had been a director since 2002.
Universal Biosensors was unchanged at 86 cents.