



# Biotech Daily

Monday March 4, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: PRANA UP 25%, CIRCADIAN DOWN 10%**
- \* **STARPHARMA DENDRIMER SPRAY BEATS I-V BREAST CANCER DRUG**
- \* **ALCHEMIA, MEDICAL DEV, MAYNE, UNIVERSAL BIO IN S&P ALL ORDS**
- \* **BIONOMICS 1-FOR-8 RIGHTS ISSUE FOR \$16.4m**
- \* **MESOBLAST REQUESTS 'TARGETED PLACEMENT' TRADING HALT**
- \* **NUSEP H1 REVENUE DOWN 1% TO \$2m, PROFIT TO \$3.7m LOSS**
- \* **AUSTRALIAN ETHICAL TAKES 90% PROFIT ON ATCOR**
- \* **CLINICAL NETWORK APPOINTS DR DOUGLAS FRANCIS TOXICOLOGIST**

## MARKET REPORT

The Australian stock market fell 1.49 percent on Monday March 4, 2013 with the S&P ASX 200 down 75.6 points to 5,010.5 points.

Seven of the Biotech Daily Top 40 stocks were up, 16 fell, 11 traded unchanged and six were untraded.

Prana was the best, on news that it will announce that PBT2 targets the tau protein as well as amyloid beta to prevent impairment in Alzheimer's disease. Prana was up five cents or 25 percent to 25 cents with 2.6 million shares traded, followed by Cellmid up 13.8 percent to 3.3 cents with 28.5 million shares traded.

Psivida climbed five percent; Ellex was up 4.8 percent; Clinuvel and Starpharma rose two percent or more; QRX was up one percent; with Cochlear up 0.4 percent.

Circadian led the falls, down three cents or 9.7 percent to 28 cents with 1,100 shares traded.

Tissue Therapies lost 7.7 percent; Acrux, Atcor, Bionomics, Nanosonics and Optiscan fell four percent or more; Anteo, Genetic Technologies and Phylogica were down more than three percent; Neuren and Pharmaxis shed more than two percent; Alchemia, Sirtex and Universal Biosensors were down more than one percent; with CSL, GI Dynamics and Resmed down by less than one percent.

## STARPHARMA HOLDINGS

Starpharma says intra-tracheal dendrimer-doxorubicin spray has far greater efficacy than intravenous doxorubicin alone for breast cancer metastases to the lungs, in rats.

Starpharma chief executive officer Dr Jackie Fairley told Biotech Daily that the dendrimer formulation of the standard-of-care drug doxorubicin was delivered by intra-tracheal spray at the same dose as the intravenous administration of doxorubicin alone.

In images supplied by Starpharma, the control and doxorubicin rat lungs were clearly covered in tumors, while the dendrimer-doxorubicin treated rat lungs showed an overwhelming reduction in tumor size and number.

Starpharma said that the study was an Australian Research Council-funded collaboration with the Monash Institute of Pharmaceutical Sciences.

The company said that the Institute's Prof Chris Porter, Dr Lisa Kaminskis and their colleagues studied a rat model which used lung-resident secondary tumors (or metastases) derived from breast cancer cells.

The company said that lung metastases were particularly difficult to treat with conventional chemotherapeutic drugs, leading to a mortality rate of approximately 85 percent within five years and existing treatments often palliative in nature.

Starpharma said that commonly used treatments included doxorubicin, either alone or in combination with other agents.

The company said that in addition to the improvement in efficacy, the study also found that the dendrimer-doxorubicin formulation tended to remain in the lungs rather than passing into the body of the animal and this distribution pattern also created the potential for reduced side effects, which were a significant problem with many cancer drugs, including doxorubicin.

In a media release Dr Fairley said that the combination of Starpharma's dendrimers, an existing cancer drug and direct lung administration "appears to yield a substantially more efficacious agent for treating lung metastases than the drug alone".

"Given the clinical management of lung metastases is an area of significant medical need, and current drugs often provide poor results, this finding has the potential to create a valuable and important application for Starpharma's proprietary dendrimer formulations," Dr Fairley said.

Starpharma said it had filed a new patent based on the results as a precursor to further discussions with commercial partners.

The company said that the rat lung metastasis model was intended to replicate the situation in humans in which breast cancer cells separate from the primary breast tumor and metastasize, or spread, seeding new tumors to multiple points throughout a lung.

Starpharma said that the intra-tracheal spray delivery of doxorubicin alone could not be used as that route of administration proved too toxic.

The company said the rats were dosed with breast cancer cells and allowed to grow and from day-7 the three treatments were administered twice a week for two weeks.

Starpharma said that by both gross appearance of the lungs and bioluminescent imaging, the extent of metastases was greatly reduced in the intra-tracheal dendrimer-doxorubicin group compared with intravenous doxorubicin and the saline control.

The company said it was further exploring the findings, including the effect of dosage in metastatic models and the testing of other dendrimer drug combinations.

Starpharma said it was investigating explanations for this finding including the observation that its dendrimer nano-particles appeared to be selectively concentrated in tumor tissue and within the lymphatic system, which played an important role in tumor spread.

Starpharma was up three cents or 2.7 percent to \$1.14.

### STANDARD AND POOR'S DOW JONES INDICES

Standard and Poor's will promote Alchemia; Medical Developments; Mayne Pharma; Universal Biosensors into the All Ordinaries 500 Index on March 15, 2013. Standard and Poor's said that Phosphagenics would be removed from the S&PASX300. No biotechnology companies were involved in other S&P index changes.

### BIONOMICS

Bionomics says it will raise \$16.4 million through a fully-underwritten non-renounceable one-for-eight rights issue at 36 cents a share. Bionomics said that lead manager, Bell Potter Securities, has underwritten the issue and the funds would be used "to advance development programs across [its] pipeline". Bionomics said the sub-underwriting had been "heavily over-subscribed". The company said the record date was March 13, the offer would open on March 18 and close on April 3, 2013. Bionomics fell two cents or 4.9 percent to 39 cents.

### MESOBLAST

Mesoblast has requested a trading halt pending an announcement "regarding a targeted private placement". Mesoblast previously said it had cash reserves of \$178.6 million at December 31, 2012. Trading will resume on March 6, 2013 or on an earlier announcement. Mesoblast last traded at \$6.44.

### NUSEP

Nusep says its revenue for the six months to December 31, 2012 fell 1.1 percent to \$1,825,899 taking the \$25,147 previous net profit after tax to a loss of \$3,668,734. Nusep said that sales revenue fell 22.55 percent to \$828,865. Nusep said that its net tangible asset backing per share was up 29.2 percent from 2.4 cents at December 31, 2011 to 3.1 cents at December 31, 2012. The company said that said that diluted loss per share was 5.79 cents compared to the previous corresponding period's diluted earnings per share of 0.03 cents. The company said it held cash and cash equivalents of \$697,690 at December 31, 2012 compared to \$173,447 at June 30, 2012. Nusep was untraded at 6.5 cents.

### ATCOR MEDICAL

Australian Ethical Smaller Companies Trust has reduced its holding in Atcor from 10,673,860 shares (7.22%) to 7,765,047 shares (5.15%). Last year, Australian Ethical's initial substantial shareholder notice said it acquired 4,166,667 shares for \$250,000 or six cents a share (BD: Jun 28, 2012). Today's announcement said the single largest sale was 2,304,193 shares for \$257,839 or 11.2 cents a share, with a previous sale of 896,000 shares for \$109,581 or 12.2 cents a share. After the market closed today, Australian Ethical said it had sold a further 3,688,192 shares for \$403,488 or 10.9 cents a share. Atcor fell 0.5 cents or 4.55 percent to 10.5 cents with 1.5 million shares traded.

## CLINICAL NETWORK SERVICES

Clinical Network Services says it has appointed Dr Douglas Francis as its senior regulatory toxicologist.

The Brisbane-based contract research organization said that Dr Francis had been appointed to its Bio-Desk product development planning and regulatory affairs service. Clinical Network Services said Dr Francis would provide advice and assistance to companies on toxicology, pharmacology and drug optimization in support of the conduct of clinical trials and drug registration in key global markets.

The company said that Dr Francis was a UK and European registered toxicologist and a member of a number of professional bodies.

Clinical Network Services said Dr Francis studied veterinary science at the University of Sydney and held Doctorate of Philosophy from the University of Sydney.

The company said Dr Francis was previously Phylogica's vice-president of drug development and prior to that Pharmaxis' drug development manager.

Clinical Network Services said Dr Francis was a senior toxicologist at the Australian Therapeutic Goods Administration from 1995 to 1997.

Clinical Network Services is a private company.