Biotech Daily

Wednesday August 6, 2008

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECHS UP: PROTEOME UP 18%, NEUREN DOWN 25%**

*** BIOTECH DAILY WEBSITE UPDATE**

*** VICTORIAN GOVT: MONASH ANTIBODY LAB 'BEST ON THE PLANET'**

*** MESOBLAST CLAIMS LONG BONE STEM CELL SUCCESS**

*** CIBA BOWS OUT OF BIOSIGNAL PLASTICS COLLABORATION**

*** RESMED RECORD 2007-08 PROFIT UP 66% TO $US110m**

*** NEUREN HOPES FOR $3m FROM PLACEMENT, SHARE PLAN**

*** UNITED BIOSOURCE TAKES 13% OF COGSTATE**

*** XENOME REVAMPS BOARD WITH DR ANDREW BAKER, JIM HAZEL**

*** GRAEME KAUFMAN ADDS LODGE TO HIS STRATEGIC LIFE**

MARKET REPORT

The Australian stock market rebounded 2.8 percent on Wednesday August 6, 2008 with the All Ordinaries up 136.1 points to 5,018.1 points. Fifteen of the Biotech Daily Top 40 stocks were up, 11 fell, six traded unchanged and eight were untraded.

Proteome was best, up 1.5 cents or 17.65 percent to 10 cents on very small volumes, followed by Cytopia up four cents or 17.39 percent to 27 cents with 2.2 million shares traded and Resmed up 14.14 percent to $4.60 with 3.3 million shares traded.

Mesoblast climbed 13.21 percent; Antisense was up 10 percent; Living Cell rose9.52 percent; Progen recovered 6.56 percent; Agenix and Cochlear were up more than five percent; Polartechnics was up 4.17 percent; Bionomics, CSL and Novogen were up more than three percent; Arana, Biota and Cellestis rose more than two percent; with Clinuvel and Pharmaxis up more than one percent.

Neuren led the falls, down three cents or 25 percent to nine cents with 870 shares traded, followed by Psivida down 17.1 percent to $2.90 and Labtech down 15 percent to 17 cents.

Universal Biosensors lost 7.69 percent; Prana fell 5.56 percent; Heartware shed 2.61 percent; with Alchemia, Optiscan, Starpharma and Viralytics down more than one percent.

BIOTECH DAILY WEBSITE UPDATE

Biotech Daily has been renovating its website increasing the archive of back copies along with Marc Sinatra's Bio-Guides and David Langsam's CEO Interviews. More sophisticated search facilities are being developed.

Biotech Daily has also introduced a confidential but informal employment service as well as providing space on the website for biotechnology job advertisements.

MONASH UNIVERSITY'S MONOCLONAL ANTIBODY FACILITY

Victoria's Innovation Minister Gavin Jennings says Monash University's $11 million Monoclonal Antibody Technology Facility is "the world's most sophisticated antibody facility".

The Facility was opened at Monash University by the Federal Minister for Innovation, Industry, Science and Research Senator Kim Carr and Mr Jennings.

Mr Jennings said the Victorian Government had provided $5 million to help build the facility and purchase robotics equipment.

The deputy director of the Facility, Michael Spiegel told Biotech Daily that the combined funding from Monash University, the Federal Government and Victorian Government was more than $11 million.

Mr Spiegel said the Facility was partnered with the Swiss-based Tecan AG which provided a liquid-handling robotics system and software worth several million dollars.

A Monash University media release said the facility would increase the production of antibodies from hundreds a year to potentially 5,000 a year, helping solve supply problems causing delays in research and treatment.

The University said products would be sold throughout Australia and internationally to the science community and related organizations. The first phase of the business venture was Millipore licencing the Facility's antibodies.

"Monash University's Monoclonal Antibody Technology Facility is Australia's first and only high-throughput monoclonal antibody facility, able to produce 10 times the number of antibodies in one tenth of the time previously possible," Mr Jennings said.

"Monoclonal antibodies are one of the most powerful tools available to researchers for detection, labeling, isolation and characterization of proteins," Mr Jennings said.

"They can be designed or targeted to bind to specific kinds of protein and react with them in specific ways," he said.

Mr Jennings said 25 percent of all new drugs in US clinical trials were monoclonal antibodies with only two high-throughput suppliers in the world, both in Europe.

"This facility will provide Australian researchers with an efficient local source of custom-made antibodies for research, diagnostics and therapeutic development," he said.

"Australian and Victorian biomedical researchers … biotechnology companies, large commercial entities such as CSL will soon be knocking on Monash's door," Mr Jennings said.

In a media release the Victorian Government said that by 2010, the Facility hoped to supply 80 percent of Australia's antibody needs, significantly increasing the pace of medical research.

The Facility would also provide a stream of revenue through antibody sales and collaborative, contracted research allowing it to expand and adapt.

The Victorian Government said the facility would also raise global awareness about Monash University, Victoria and Australia through participation at international meetings, conferences and consortiums.

MESOBLAST

Mesoblast says eight of 10 patients have had successful long bone fracture repair in a clinical trial of its adult stem cell technology at the Royal Melbourne Hospital.

Mesoblast said two patients had compound road trauma fractures involving multiple long bones, which required re-operation.

The company said a total of 10 patients with 11 non-healing fractures of the long bones in their legs were treated at the Royal Melbourne Hospital.

Eight patients were injured in road accidents.

The company said that after 12 months of follow-up, eight patients had complete bony union following stem cell implantation, and a ninth with fractures of both the femur and tibia achieved bony union of the tibia only.

Mesoblast executive director Prof Silviu Itescu told Biotech Daily that in this autologous trial the surgeon didn't have sufficient cells to implant in the femur.

"It shows the limitation of using autologous cells and underlines the value of allogeneic stem cells," Prof Itescu said.

Prof Itescu has previously said Mesoblast intended to develop allogeneic stem cells as its therapeutic technology (see Biotech Daily; June 13, 2008).

The announcement to the ASX said complete bony union was achieved in a median time of four months in patients who had non-united fractures for up to 41 months prior to cell implantation, with a median of 10 months.

Of the eight patients who had successful long bone union, all have been able to fully weight bear and resume daily activities, Mesoblast said.

The company said that in these patients, its stem cells eliminated the need for an operation to harvest bone from the pelvis, so instead of two operations to harvest and implant, there would be just one operation.

Mesoblast said no adverse events related to the stem cell therapy had been reported.

Mesoblast quoted the principal investigator and orthopaedic surgeon at the Royal Melbourne Hospital Mr Richard de Steiger saying the results were "exciting and underscore the extremely bright future for this cutting-edge technology".

"The positive outcomes in this trial pave the way for randomized, multi-centre clinical trials using Mesoblast's allogeneic or unrelated donor cells," Mr de Steiger said.

"Good results are likely to be seen with allogeneic cells as there should be reproducibility of outcomes and enhanced dosage predictability using a batched product derived from a young, healthy donor," Mr de Steiger said.

Prof Itescu said the company's focus was on phase II investigational new drug submissions to the US Food and Drug Administration for the company's allogeneic stem cells in the treatment of non-union and high-risk fresh fractures.

Prof Itescu told Biotech Daily that the company was awaiting FDA approval and the multi-centre trials would begin "imminently".

"These results clearly show that our proprietary stem cell technology is safe and effective for speeding up bone fracture repair," Prof Itescu said.

"There is a clear need for a minimally invasive, highly effective therapy to accelerate fracture repair and treat or prevent non-union and we believe that Mesoblast's technology is ideally suited to deliver such a product," Prof Itescu said.

Mesoblast said tens of millions of people worldwide suffer from non-union long bone fractures, a debilitating condition mainly associated with victims of road accident trauma and which, in some cases, may result in limb amputation.

Mesoblast's US sister company Angioblast is also investigating stem cells for cardiac and ophthalmological indications.

Mesoblast was up 14 cents or 13.21 percent to $1.20.

BIOSIGNAL

Biosignal says Ciba Corp will cease testing its anti-microbial industrial product applications and no further collaboration with Ciba is expected on this project.
Ciba found very strong efficacy in Biosignal's anti-microbial compounds but also found that adding these compounds in processed applications resulted in other product ramifications.
Ciba's main applications were in PVC plastic and coatings.
The product issues that surfaced during the testing phase involved high temperatures during processing or incompatibility with other components in the formulation process.
Biosignal said the decision did not alter expectations for its core industrial applications and other lines, for which these issues are not relevant and formulations are less complex.
Biosignal said it had non-exclusive agreements with Conoco Phillips to evaluate the treatment for microbiologically influenced corrosion in oil and gas infrastructure; agreements with other oil and gas companies for anti-microbial product development; an arrangement with Saraya Co of Japan for air-conditioning and urinal sanitation products for Japan, South Korea, Hong Kong and Taiwan; an agreement with a major international agrichemicals company to evaluate the anti-microbial technology for use in crop and seed protection; and agreement with a leading international animal health company to use the anti-microbial technology to develop new livestock and animal food products.
Ciba's head of bio-protection Dr Dick Thomas said that "while Ciba has decided not to commercialize the Biosignal technology in the plastics and coatings markets, Ciba continues to be impressed by its uniqueness and efficacy".
"We wish Biosignal well and expect other companies might realize great gains from this technology," Dr Thomas said.
Biosignal fell three cents or 37.5 percent to five cents.

RESMED

Resmed says its net income (profit) for the 12 months to June 30, 2008 was up 66.4 percent from $US66.3 million to $US110.3 million.
Net revenue was up $US119.1 million or 16.6 percent to $US835.4 million.
Earnings per share was $US1.40 a share.
Resmed was up 57 cents or 14.14 percent to $4.60.

NEUREN

Neuren says it has secured a minimum of $3.0 million in new funding through a placement of 11.9 million shares at eight cents a share raising $950,000 and a share purchase plan.
The share plan to existing shareholders will be at eight cents a share and Taylor Collison will underwrite the plan to $2,050,000.
The placement has been made to institutional and sophisticated clients in Australia and New Zealand and was managed by Taylor Collison.
Shareholders can subscribe for up to $5,000 of new shares in the company, without brokerage costs. Neuren has 1,600 shareholders in Australia and New Zealand.
The record date is August 13, 2008 and prospective shareholders will need to have purchased shares on or before August 8, 2008.
Neuren said the funds would be used to meet working capital requirements and development and reporting of top level efficacy results for the phase III Glypromate trial.
Neuren said the top level efficacy results would be released by the end of 2008.
Neuren fell three cents or 25 percent to nine cents.

COGSTATE

United Biosource Holding and United Biosource Corp have become substantial shareholders in Cogstate with a holding of 7,783,765 shares or 13.04 percent of the company.
United Biosource Holdings has an 87 percent controlling interest in United Biosource Corp and the two companies are based in Bethesda, Maryland.
Last month Cogstate announced a strategic partnership with the group to increase the market for cognitive testing in clinical trials (see Biotech Daily; July 29, 2008).
Cogstate was untraded at 11 cents.

XENOME

Xenome has restructured its board following the recent investment by GBS Ventures appointing GBS's Dr Andrew Baker and the Adelaide Bank's Jim Hazel.
Mr Hazel will assume the role of chairman of the private unlisted company following an extraordinary general meeting, at which time existing chairman Ian Sandford will retire from the board.
Xenome said Mr Hazel had an extensive career in banking and finance, including as chief general manager of Adelaide Bank.
The company said he had extensive experience as a board member and was a director of Terramin Australia, Impedimed and Becton Property Group.
He is chairman of Elders Rural Bank and a director of the Council on the Aging (SA).
Dr Baker joined GBS Ventures in 2002 and has more than 18 years experience in the pharmaceutical and biotechnology industries, including 14 years with Genentech, Bayer and Johnson & Johnson.
Dr Baker is a director of Verva Pharmaceuticals, Spinifex, Cryptopharma and Hatchtech.
Lewis Lee and Dr Peter Myers will resign from the board.
Xenome has a discovery platform based on a proprietary library of venom peptides and its chief executive officer is Dr Ian Nisbet.

STRATEGIC LIFE SCIENCES

Strategic Life Sciences chairman Michael Shaw says the company's co-founder Graeme Kaufman will assist Lodge Partners with its corporate activities.
Mr Shaw said Mr Kaufman was in Japan on behalf of Strategic Life Sciences and another company and "he continues to lead the investment team".
A report in today's The Australian could be construed as Mr Kaufman moving from one group to the other, but Mr Shaw dismissed that interpretation.
Mr Shaw said Strategic Life Sciences had appointed two investment directors reporting to Mr Kaufman in the last week.
He said Mr Kaufman had agreed to undertake "some limited consultancy work with Lodge Partners to assist them in corporate activity".
Strategic Life Sciences intends to establish a $400 million fund to invest in the life sciences sector (see Biotech Daily: July 10, 2008; November 12, 2007).