Biotech Daily

Monday June 16, 2008

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECHS FLAT: NOVOGEN UP 27%, LIVING CELL DOWN 12%**

*** HOWARD FLOREY INST: IMAGING DETECTS HUNTINGTON'S EARLY**

*** CELLESTIS EXPECTS $2m MAIDEN PROFIT**

*** MEDICAL THERAPIES EGM BACKS MIDKINE ACQUISITION, CEO OPTIONS**

*** VENTRACOR HALF-WAY IN BRIDGE-TO-TRANSPLANT TRIAL**

*** FERMISCAN COMPLETES $5.5m SYDNEY BREAST CLINIC ACQUISITION**

*** IM MEDICAL APPOINTS DR ROSS WALKER MEDICAL DIRECTOR**

MARKET REPORT

The Australian stock market slipped 0.1 percent on Monday June 16, 2008 with the All Ordinaries down 3.3 points to 5,476.3 points.

Eleven of the Biotech Daily Top 40 stocks were up, 12 fell, 11 were unchanged and six were untraded.

Novogen was best, up 30.5 cents or 26.75 percent to $1.445 on modest volumes, followed by Optiscan up 10.81 percent to 20.5 cents and Prana up 9.76 percent to 45 cents.

Bionomics climbed 6.25 percent; Avexa and Clinuvel were up more than four percent; Cytopia, Heartware and Mesoblast were up more than two percent; with Antisense and Benitec up more than one percent.

Living Cell led the falls, down 3.5 cents or 12.07 percent to 25.5 cents, followed by Polartechnics down 12.0 percent to 11 cents.

Starpharma lost 9.38 percent to 29 cents; Portland was down 8.82 percent; Agenix shed 6.35 percent; Neuren and Sirtex fell more than five percent; Ventracor was down 3.33 percent; with Biota down 2.7 percent.

HOWARD FLOREY INSTITUTE

The Howard Florey Institute says diffusion magnetic resonance imaging can confirm Huntington's disease before symptoms appear.

A media release from the Institute said early confirmation of Huntington's disease in people who are gene positive for the disease could enable treatment to commence early, even before motor, cognitive and psychiatric symptoms arose.

The Institute said diffusion magnetic resonance imaging by the Howard Florey Institute and Melbourne's Monash University had identified extensive white matter degeneration in patients recently diagnosed with Huntington's disease. The research will be presented to the Organisation for Human Brain Mapping meeting in Melbourne tomorrow.

White matter forms the connections between brain regions, allowing one region to communicate with another, the Institute said.

A breakdown of these structural connections in the brain could help to explain the complex motor and cognitive problems experienced by Huntington's disease patients in the early stages of the disease.

The Institute said white matter degeneration started before patients were diagnosed but the extent of white matter degeneration in Huntington's disease was previously unknown.

The early symptoms of Huntington's disease can be missed, as they are usually minor problems such as clumsiness, memory loss and loss of cognitive function. The symptoms become more severe, leading to death within 15 to 20 years of diagnosis.

Howard Florey Institute student India Bohanna said the discovery could assist in the testing of therapeutic strategies to treat the disease.

"The effectiveness of any new treatment is determined by its ability to reduce symptoms, but we know that changes in the brain occur a long time before symptoms arise," Ms Bohanna said. "Our discovery could allow researchers to test therapies even before symptoms appear."

"Not only does this research tell us more about how the brain degenerates early in Huntington's disease, but it also opens up new avenues in drug research and development," Ms Bohanna said.

Co-principal investigator, Monash University's Prof Nellie Georgiou-Karistianis said that by using diffusion magnetic resonance imaging to examine white matter degeneration early, it would be possible to test the ability of therapeutics to reverse degeneration in brain connections.

"Although there isn't yet a cure for Huntington's, researchers … are working to develop new treatments to delay the onset and severity of this devastating disease," Prof Georgiou-Karistianis said.

The Howard Florey Institute said mental and physical exercise could delay the onset of the disease and slow the progression of symptoms in a mouse model of the disease.

The Institute said this was the first study to look at white matter changes across the whole brain in Huntington's disease and to study how the breakdown of connections between brain regions might lead to the widespread deficits found in Huntington's disease patients.

The researchers hope to conduct further studies to examine white matter degeneration in people who have tested gene positive to Huntington's disease but are up to 10 years away from developing symptoms.

Huntington's disease is caused by a mutation in a single gene and is inherited by 50 percent of the offspring of patients. It usually appears around middle age but can start in childhood and affects seven people per 100,000 of the population.

The Institute said diffusion magnetic resonance imaging enabled examination of the brain at a micro-structural level and the mapping of white matter tracts by tracking the movement of water in the brain.

CELLESTIS

Cellestis says it expects to post a maiden full year profit of $2.0 million.
In February, Cellestis announced its first half year profit of $328,000 (see Biotech Daily; February 19, 2008) and said that it reflected the establishment of the company, revenue from sales of its tuberculosis test and a decrease in expenditure on research and development.
Cellestis said today that it expects consolidated profit before tax for the year ending June 30, 2008 to be “in the order of $2.0 million”.
Cellestis fell one cent or 0.38 percent to $2.60.

MEDICAL THERAPIES

Medical Therapies shareholders have supported overwhelmingly the acquisition of Cell Signals’ midkine assets.
A total of 36,691,784 proxy votes were cast in favor of the issue of 23.5 million shares to NS Capital representing 19.98 percent of the post-issue capital of the company, with just 50,000 proxy votes against.
A similar proportion supported the issue of 20,000,000 shares or 17 percent of the post-issue capital to Cell Signals for the transfer of all intellectual property rights relating to midkine.
There were no votes cast against a further capital raising of $3 million within the next three months.
The issue of 5,000,000 options to chief executive officer Maria Halasz was supported by 35,358,501 proxy votes in favor and 323,283 proxy votes against.
At last year’s annual general meeting (see Biotech Daily; November 19 and 20, 2007) the University of Sydney used its votes to prevent Ms Halasz receiving 3,000,000 options and to deny her election to the board.
She resigned and was reappointed managing director on the same day.
Medical Therapies was unchanged at six cents.

VENTRACOR

Ventracor says it has half of its target enrolment for the US bridge-to-transplant trial of the Ventrassist left ventricular assist device.
Ventracor chief executive officer Peter Crosby said that with more than 70 patients enrolled he expected to be able to see early data “before the end of this year”.
“If the results in the pivotal trial continue in the manner achieved in the feasibility trial, it is anticipated that the [bridge-to-transplant] trial will reach a statistical end point earlier than initially projected,” Mr Crosby said.
Ventracor said enrolment in the US destination therapy trial had improved, with 36 patients enrolled in the trial.
Ventracor said total cumulative number of Ventrassist implants exceeded the lower limit of guidance of 280-350 announced in the half year results (see Biotech Daily; February 22, 2008). The February forecast expected 150-220 implants for the 2008 financial year ending June 30, 2008.
A Ventracor spokeswoman said each pump cost about $75-80,000.
Mr Crosby said the company was “very pleased at the continuing momentum and clinical confidence” in the Ventrassist left ventricular assist device with more than 40 centres in 13 countries trained and ready to implant it.
Ventracor fell one cent or 3.33 percent to 29 cents.

FERMISCAN

Fermiscan says it has completed its acquisition of Sydney Breast Clinic (see Biotech Daily May 28, 2008).

The company said the cost was $3.5 million along with $2 million to retire existing liabilities and the business would provide a positive cash flow.

Fermiscan said the Sydney Breast Clinic had been operating for more than 30 years as a provider of diagnostic services for women with symptoms of breast disease and was a leader in the provision of diagnostic services, risk assessment, breast screening and bone density testing.

Fermiscan's managing director David Young said the management and clinical independence of the clinic would remain unchanged.

"The clinic was a major participant in our successful validation trial and its continued assistance will significantly help the development and commercialization of the Fermiscan test for breast cancer," Mr Young said.

Fermiscan was unchanged at 56 cents.

IM MEDICAL

IM Medical has appointed cardiologist Dr Ross Walker as medical director.

IM Medical said Dr Walker was a practicing cardiologist as well as an author and media commentator on heart disease and preventative health.

IM Medical chairman Dipak Sanghvi said Dr Walker was "a great communicator and motivator".

The company said Dr Walker was a contributor on health issues to commercial radio stations and a commercial television network.

IM Medical was unchanged at 1.9 cents with 24.2 million shares traded.