



Biotech Daily

Wednesday August 26, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PHYLOGICA UP 44%, GENETIC TECH DOWN 11.5%**
- * **BIOMD READY FOR PHASE II PELVIC FLOOR RECONSTRUCTION TRIAL**
- * **ACUVAX'S HAWAII BIOTECH STARTS PHASE I DENGUE FEVER TRIAL**
- * **ADVANCED SURGICAL \$1m LOSS ON REVENUE DOWN 9.7% TO \$6.4m**
- * **NSW PROVIDES \$600k FOR THREE CHINESE COLLABORATIONS**
- * **PHYLOGICA IN 'MULTIPLE ADVANCED BIG PHARMA NEGOTIATIONS'**
- * **HEALTHLINX WELCOMES HEALTHSCOPE BUYING OVPLEX DISTRIBUTOR**

MARKET REPORT

The Australian stock market climbed 1.11 percent on Wednesday August 26, 2009 with the S&P ASX 200 up 48.7 points to 4454.5 points.

Eight of the Biotech Daily Top 40 stocks were up, 14 fell, 12 traded unchanged and six were untraded. All three Big Caps were up.

Phylogica was best, up 2.4 cents or 43.6 percent to 7.9 cents with 1.3 million shares traded, followed by Genera up 18.2 percent to 65 cents.

Compumedics, Optiscan and Starpharma climbed more than nine percent, the last on strong volumes; Acrux was up 7.2 percent; Nanosonics climbed 4.55 percent; Circadian was up 3.5 percent; Resmed rose 2.4 percent; Cochlear was up 1.03 percent; with CSL up 0.31 percent.

Genetic Technologies led the falls, down 0.7 cents or 11.48 percent to 5.4 cents with 50,000 shares traded, followed by Cytopia down 10 percent to nine cents.

Labtech lost 9.7 percent; Tissue Therapies fell 8.3 percent; Cellestis, Progen and Sunshine Heart lost six percent or more; Chemgenex fell 4.1 percent; Alchemia and Universal Biosensors were down more than three percent; Mesoblast and Pharmaxis shed more than one percent; with Biota and Sirtex down by less than one percent.

BIOMD

Biomd says a 20-patient phase II trial of its Gynecel Adapt-treated bovine patch for pelvic floor reconstruction surgery has been approved at Sydney's St George Hospital.

Biomd said the South Eastern Sydney and Illawarra Area Health Service human research ethics committee approved the trial, "due to begin in the next few weeks".

The company said the trial was designed to prove the safety and efficacy of the treated tissue replacement patch in patients suffering vaginal prolapse (BD: Feb 19, 2009).

Biomd said the condition affected many women, with 18,000 presenting for surgery in Australia each year.

The company said the global market for pelvic floor as well as other abdominal surgical repair was expected to be more than \$US1 billion during 2010.

The chairman of the Sydney Women's Endosurgery Centre and chief clinical investigator for the trial Dr Gregory Cario said he was "impressed by the extensive pre-clinical studies conducted with this material and are encouraged by the results from the recent cardiovascular study in children".

"We would prefer to use a biomaterial mesh product rather than a synthetic mesh in order to reduce the widely reported complications with those products," Dr Cario said. "This new biomaterial, using an Australian patented process, appears to have long-term appeal."

Biomd's managing director Michael Bennett said the study was a significant milestone in the company's plans to commercialize its Adapt-treated biomaterials used in cardiovascular and soft tissue repair procedures.

Biomd was untraded at 7.5 cents.

ACUVAX

Acuvax says its US sister company Hawaii Biotech is ready to begin phase I safety trials of its monovalent Dengue fever vaccine.

Acuvax said Hawaii Biotech would conduct the double-blind, placebo controlled, dose escalation safety study in healthy subjects at the St. Louis University Centre for Vaccine Development.

The company said vaccine recipients would be monitored for virus neutralizing antibodies. Acuvax chief executive officer and Hawaii Biotech director Dr William Ardrey said the company had delivered on its guidance that the recombinant vaccine would be trialed in humans at this time.

"Acuvax shareholders should be pleased by this important milestone in the development of Hawaii Biotech into a clinical stage company," Dr Ardrey said.

Hawaii Biotech chief executive officer Dr Elliot Parks said the trials confirmed the versatility of the subunit vaccine technology platform.

"This phase I study will also prepare us for the initial clinical testing of Hawaii Biotech's tetravalent Dengue fever vaccine," Dr Parks said.

Hawaii Biotech said its Dengue monovalent vaccine candidate was the first recombinant subunit vaccine for Dengue fever to enter clinical studies.

Hawaii Biotech said it intended to test a Dengue tetravalent vaccine candidate, developed using the company's recombinant subunit vaccine technology, within a year.

The company said the Dengue subunit vaccine candidate had been developed with financial assistance from the National Institutes of Health, the Department of Defence, and the Bill and Melinda Gates Foundation's Paediatric Dengue Vaccine Initiative.

Hawaii Biotech is 27 percent owned by Acuvax, with Acuvax's major shareholder, Dr Richard Opara indirectly holding a further 13 percent interest in Hawaii Biotech.

Acuvax was up 1.3 cents or 37.1 percent to 4.8 cents.

ADVANCED SURGICAL DESIGN AND MANUFACTURE

Advanced Surgical says the necessary cost of its sales team has contributed to turning last year's \$180,000 profit into a \$1,024,000 loss for the 12 months to June 30, 2009. Advanced Surgical chief executive officer Dr Greg Roger told Biotech Daily that revenue was primarily sales of the company's knee replacement prosthesis.

Total revenue fell 9.66 percent from \$7,094,000 from in 2007-'08 to \$6,409,000 for the year to June 30, 2009.

Dr Roger said the company's sales team had been expanded adding to short term costs and research and development on the Peripheral Access Device had increased.

Advanced Surgical said its cash balance at June 30, 2009 was \$852,000.

Advanced Surgical was untraded at 39 cents.

NEW SOUTH WALES

The New South Wales Government has provided \$600,000 for three collaborative medical research projects undertaken by Chinese and New South Wales researchers. Minister for Science and Medical Research Jodi McKay said the first round of grants would be awarded to successful applicants under the NSW Government's China-NSW Collaborative Research Program, a joint initiative to support research that combines traditional Chinese medicine and modern approaches to treat medical conditions such as cancer, heart disease and brain injuries.

"New South Wales and China will contribute more than \$1 million for the program," Ms McKay said.

The funding recipients are Macquarie University's Prof Mark Baker and Beijing Proteome Research Centre's Prof Fuchu He for a cancer genesis, spread and treatment proteomic discovery program; the University of Sydney's Dr Stuart Cordwell and Beijing' China Academy of Chinese Medical Sciences' Prof Jin Cao for efficacy biomarkers for traditional therapy in myocardial angina pectoris; and University of Newcastle and John Hunter Hospital's Prof Chris Levi and the Harbin Medical University's Prof Chuanlu Jiang for therapeutic hypothermia in stroke research program

PHYLOGICA

Phylogica says it has been "negotiating research partnerships with a number of large pharmaceutical and biotechnology companies".

Phylogica said some negotiations had "moved to a very advanced stage and shareholders will be advised accordingly when and/or if formal documentation is concluded".

Phylogica was up 2.4 cents or 43.6 percent to 7.9 cents with 1.3 million shares traded.

HEALTHLINX

Healthlinx says listed healthcare provider, Healthscope has acquired ARL Pathology, the Australian distributor of Healthlinx's Ovplex early stage ovarian cancer test.

Healthlinx said the acquisition would provide an enlarged distribution network for Ovplex. Healthlinx was unchanged at eight cents.