



Biotech Daily

Thursday August 27, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH EVEN: BONE UP 50%, BENITEC DOWN 12.5%**
- * **PRIMA ROADSHOW TO EXPLAIN 'PARADIGM SHIFT' CANCER VACCINE**
- * **VICTORIA GIVES \$26m TO MEDICAL RESEARCH FACILITIES**
- * **ELLEX \$22.6m 'GOODWILL' LOSS, ON REVENUE UP 15.8% TO \$58.3m**
- * **CYCLOPHARM H1 LOSS ON REVENUE DOWN 1% TO \$4.3m**
- * **MEDICAL DEVELOPMENTS PROFIT DOWN 9% ON REVENUE DOWN 5%**
- * **IMMURON ISSUES 47m SHARES TO ISRAEL'S HADASIT**
- * **ANTEO DIRECTOR BRUCE RATHIE RESIGNS**
- * **BONE RELEASES 150,000 ESCROW SHARES**
- * **STIRLING REQUESTS 'MAJOR TECHNOLOGY' TRADING HALT**

MARKET REPORT

The Australian stock market slipped 0.08 percent on Thursday August 27, 2009 with the S&P ASX 200 down 3.7 points to 4450.8 points. Fourteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and five were untraded.

Bone was best, up eight cents or 50 percent to 24 cents with 2,100 shares traded, Genetic Technologies was up 0.7 cents or 12.96 percent to 7.9 cents with 10 shares traded and Antisense rose 0.4 cents or 11.1 percent to four cents with 25,000 shares traded.

Biota and Sunshine Heart climbed more than six percent; Cytopia was up 5.6 percent; Novogen climbed 4.5 percent; Clinuvel was up 3.1 percent; Chemgenex, Prana and Tissue Therapies rose more than two percent; Nanosonics and Phylogica were up more than one percent.

Benitec led the falls, down 0.5 cents or 12.5 percent to 3.5 cents with 500,000 shares traded, followed by Compumedics down 10.6 percent to 21 cents.

Cathrx and Genera both lost 7.7 percent; Alchemia and Phosphagenics fell more than four percent; Living Cell, Mesoblast and Viralytics were down more than three percent; Peplin, Progen and Starpharma shed more than two percent; with Acrux, Cellestis and Resmed down more than one percent.

PRIMA BIOMED

Prima's executive director Martin Rogers and marketing consultant James Moses are on a road show to explain their technology - rather than raise funds.

Prima recently obtained a \$25.5 million draw down facility from US investment vehicle Springtree itself a creation of three other funds (BD: Jul 21, 2009) and has an additional \$12 million finance from Fortrend (BD: Mar 11, 2009) as well as raising funds from other investors including former Sydney mayor Lucy Turnbull and Lawrence Freeman (BD: May 22, 2009).

In Melbourne, Mr Rogers told Biotech Daily that his company's CVac ovarian cancer vaccine technology showed significant results in a small phase IIa trial with four women of 19 patients having their lives extended beyond the expected three to six months (BD: Mar 14, 2007).

In 2007, Prima said that in terms of disease progression-free survival and safety, two patients, whose life expectancy was about six months at the start of the trial, continued receiving Cvac treatment after the trial concluded.

Prima's then chief scientific officer Prof Bruce Loveland said at that time that patients received three injections at one month intervals, followed by up to four more injections at 10 week intervals.

Prof Loveland said in March 2007 that the Cvac treatment was a combination of the patient's own dendritic cells primed with a tumor antigen (Mucin-1) and an adjuvant, Mannan Fusion Protein (M-FP), which stimulated the immune system to kill tumor cells. Prima said in 2007 that two patients had a major response with more than a 50 percent decline in CA125 levels sustained for three weeks; a third patient had a minor response of a 25 to 50 percent decrease in CA125 levels for three weeks; and a fourth patient was stabilized with less than a 25 percent decrease in CA125 levels for more than 13 weeks. Prima said a fifth patient showed a minor response which was not confirmed at the subsequent reading.

"This is a substantial result," Prof Loveland said in 2007. He said that with two patients alive for a year, Cvac had demonstrated it could be long term treatment.

Mr Rogers told Biotech Daily today that the cancer vaccine technology "should be seen in a new light".

"It's a paradigm shift in cancer treatment, assisting the immune system to fight the cancer," MR Rogers said. "It's non-toxic unlike chemotherapy but can work as a maintenance therapy after chemotherapy to prevent metastases and relapses."

He said many women with ovarian cancer failed chemotherapy were then treated again with chemotherapy.

Mr Rogers said the patients in the 2006-'07 phase IIa trial at Melbourne's Austin Hospital "were terminally ill cancer patients with three to six months to live and had failed all treatments".

"The four of 21 was significant enough to see if a larger study was warranted," Mr Rogers said.

He said the US Food and Drug Administration approved study due to begin by the end of 2009 would have 60 patients and would be followed by a European trial with 1540 to 200 patients.

"We have the top cancer sites in the US including Fred Hutchinson, Stanford, Duke, Pennsylvania State and Sloane Kettering," Mr Rogers said.

He said Prima expected an "early look" at the US results at about the same time that the European study was due to begin at the end of 2010, "assuming a smooth ride - but it's biotech so that doesn't happen".

Prima fell 0.1 cents or 1.02 percent to 9.7 cents with 17.3 million shares traded.

VICTORIAN GOVERNMENT

The Victorian Government has provided \$25.7 million through its Operational Infrastructure Support program to 13 medical research institutes. Victoria's Innovation Minister Gavin Jennings said the funds would maintain laboratories, equipment and facilities.

"Quality infrastructure attracts international collaborations and investment but also means we can attract and retain outstanding researchers," Mr Jennings said. "Since 1999, we have invested more than \$3 billion in innovation which is important not only for health outcomes but also for creating jobs and boosting our economic growth."

Mr Jennings said work by St Vincent's Institute's Prof Michael Parker and his team using the Australian Synchrotron at Clayton's Monash University to help develop drugs for the treatment of illnesses such as cancer, Alzheimer's disease and obesity were examples of how the funding contributed to leading medical research.

The 2009/10 Operational Infrastructure Support program grants are:

Baker IDI Heart and Diabetes Institute, \$2,676,932;
Bernard O'Brien Institute of Microsurgery, \$247,680;
Bionic Ear Institute, \$395,416;
Burnet Institute, \$4,446,432;
Centre for Eye Research Australia, \$668,560;
Florey Neuroscience Institutes, \$2,281,796;
Ludwig Institute for Cancer Research, \$1,260,980;
Mental Health Research Institute, \$646,264;
Monash Institute of Medical Research, \$1,544,208;
Murdoch Children's Research Institute, \$2,662,264;
Prince Henry's Institute, \$1,091,720;
St Vincent's Institute, \$1,482,692; and
Walter and Eliza Hall Institute, \$6,295,056.

ELLEX MEDICAL LASERS

Ellex has posted a \$22,615,000 loss for the 12 months to June 30, 2009 compared to the previous year's \$4,834,000 profit on revenue up 15.8 percent to \$58,310,000.

In its Preliminary Final Report, Ellex posted an "impairment of goodwill" of \$22,367,000.

The company said diluted earning per share was negative 29.6 cents compared with 6.84 cents in the previous corresponding period and net tangible asset backing per share was 20.3 cents compared to 22.5 cents in the previous year.

Ellex chief executive officer Simon Luscombe told Biotech Daily the goodwill payment was a one-off accounting procedure and the company expected to return to profit in the current financial year.

Ellex fell 1.5 cents or 9.1 percent to 15 cents.

CYCLOPHARM

Cyclopharm says its half year loss to June 30, 2009 was \$142,334 compared to a net profit of \$143,671 for the previous corresponding period.

The company said the loss could be "primarily attributed to costs incurred in arbitration against Clinquest", which it said was \$420,000 this year.

Cyclopharm said its revenue, from sales of its Technegas generators for nuclear medicine diagnostic imaging and patient administration sets, was down one percent to \$4,321,023.

Cyclopharm was unchanged at nine cents.

MEDICAL DEVELOPMENTS

Medical Developments says its profit for the 12 months to June 30, 2009 was down 9.1 percent to \$810,000 on revenue down 5.3 percent to \$8,727,000.

The company said diluted earnings per share was 1.5 cents compared with 1.6 cents in the previous corresponding period.

Net tangible asset backing per share was 5.8 cents compared to 6.0 cents in the previous year.

Medical Developments was untraded at 18 cents.

IMMURON

Immuron says 46,966,139 shares have been issued to Hadasit Medical Research Services for \$1,214,470 or 2.6 cents per share (BD: Apr 21, 2009).

Immuron said the share issue was in line with the assignment and licence agreement of April 17, 2009 with Hadasit, the commercial arm of Israel's Hadassah Medical Center.

Immuron was down 0.3 cents or 5.45 percent to 5.2 cents.

ANTEO DIAGNOSTICS

Anteo says non-executive director Bruce Rathie has resigned effective from August 26, 2009.

The company said Mr Rathie has resigned "due to other work commitments".

Anteo was untraded at 1.3 cents.

BONE MEDICAL

Bone says 150,000 shares will be release from escrow in September 2009.

Bone said 50,000 shares would be released from escrow on September 10, 2009, followed by 50,000 on September 19, 2009 and a further 50,000 on September 27, 2009. Bone said there were another 50,000 shares remaining in escrow awaiting issue next month.

Including all shares in escrow and to be released from escrow Bone said it would have a total share issue of 90,850,071 shares.

Bone was up eight cents or 50 percent to 24 cents with 2,100 shares traded.

STIRLING PRODUCTS

Stirling has requested a trading halt pending an announcement on the acquisition of "a drug administration platform that may enable improved safety ... to blockbuster drugs"..

Trading will resume on August 31, 2009 or on an earlier announcement.

Stirling was unchanged at 1.3 cents.