



Biotech Daily

Friday December 11, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: LBT UP 25%; PRANA DOWN 12%**
- * **AUSTRALIAN STEM CELL CENTRE PUBLISHES THERAPY HANDBOOK**
- * **\$40k VICTORIAN YOUNG RESEARCHER AWARDS OPEN**
- * **BIOTRON UNDERWRITTEN \$2m DOUBLE OPTION OFFER**
- * **CYCLOPHARM US TRIAL DELAY; WINS \$2m CLINQUEST CLAIM**
- * **ASIC APPROVES CYTOPIA AGM DELAY**
- * **UNILIFE PLEADS SCHULTZ TO ASX 18.5% PRICE FALL QUERY**

MARKET REPORT

The Australian stock market climbed 0.6 percent on Friday December 11, 2009 with the S&P ASX 200 up 28.5 points to 4635.2 points.

Ten of the Biotech Daily Top 40 stocks were up, 15 fell, eight traded unchanged and seven were untraded.

LBT (formerly Labtech) was best, up two cents or 25 percent to 10 cents with 99,095 shares traded, followed by Sunshine Heart up 0.3 cents or 8.6 percent to 3.8 cents with 541,908 shares traded.

Clinuvel and Phylogica climbed more than three percent; Bionomics, Optiscan and Phosphagenics rose more than two percent; with CSL and Psivida up more than one percent.

Prana led the falls, down two cents or 11.8 percent to 15 cents with 128,891 shares traded, followed by Benitec down 9.3 percent to 3.9 cents with 928,294 shares traded.

Viralytics lost 7.1 percent with two million shares traded; Alchemia was down 6.8 percent; Biota and Cathrx fell more than four percent; Tissue Therapies was down 3.45 percent; Chemgenex, Mesoblast and Universal Biosensors shed more than two percent; with Acrux and Impedimed down more than one percent.

AUSTRALIAN STEM CELL CENTRE

The Australian Stem Cell Centre has published a Patient Handbook explaining the theory and practice of stem cell therapeutics.

The Centre's communications manager Rebecca Skinner told Biotech Daily that the Centre had received numerous inquiries from the general public asking about the availability of stem cell therapies. Biotech Daily has received similar inquiries.

The Centre said that the marketing of overseas stem cell therapies though the internet "has been around for some years but there is increasing interest from Australians in accessing these therapies".

"Often clinics use the testimonials of patients as a marketing technique, hiding the fact that much of what they offer is not supported by clinical trials and is therefore untested," the Centre said in a media release.

The Centre said there was "a clear need" to assist the public in understanding what is involved and to guide individuals on how to investigate treatment options before travelling or participating.

"The Patient Handbook is designed to help individuals understand what stem cells are, which stem cell treatments are considered safe and effective by specialists, which are considered experimental and which are unproven and the safety of the treatment is unknown," the Australian Stem Cell Centre said.

The Centre said Australia had a well regulated health system but other countries might not be as well regulated.

"The promise that stem cell based treatments hold for debilitating diseases and crippling injuries, that are often otherwise untreatable, has led to treatments being offered in some countries without proof of safety and efficacy by properly overseen trials and regulation of the treatments," the Centre said.

Australian Stem Cell Centre clinical advisor Dr Kirsten Herbert said stem cell therapy "holds great promise and clinical trials are ongoing under controlled circumstances".

"However, until the appropriate testing and regulation is in place for these international treatments, we need to proceed with the appropriate level of caution to avoid unforeseen complications that may harm patients," Dr Herbert said.

The Centre said it received many enquiries about the status of stem cell research, clinical trials and therapies in Australia and overseas.

Current clinical trials use adult stem cells, such as those conducted by Mesoblast and its US sister company, Angioblast Systems, which are conducting eight clinical trials for indications ranging from osteoarthritis and intervertebral disc disease to congestive heart failure and expansion of cord blood for bone marrow transplants.

An Australian Stem Cell centre-funded clinical trial is about to begin at the University of New South Wales using corneal stem cells to treat blindness.

While the research progresses and many stem cell treatments are in or nearing clinical trials, the only treatments currently fully proven and established are those for blood and related disorders such as leukaemia, the Centre said.

The chief executive officer of the Juvenile Diabetes Research Foundation Mike Wilson said that it was "understandable that people living with chronic illness look actively at all possible medical therapies but it is of vital importance that people understand exactly what the risks and costs may be before making a decision".

"Our advice is to address all of the questions listed in this excellent handbook and consult your own medical specialist before considering any form of stem cell therapy," Mr Wilson said.

The Patient Handbook is at the Centre's website www.stemcellcentre.edu.au.

VICTORIAN GOVERNMENT

The Victorian Government says nominations have opened for the \$40,000 Premier's Award for Health and Medical Research for 2010.

A Victorian Government media release said the award was for "young health and medical research pioneers".

Premier John Brumby said young researchers had the chance to share in \$40,000 in prize money, while gaining recognition for their efforts in the field of scientific research.

"The Victorian Government is taking action to improve the health of all Victorians by supporting our world-class health and medical research industry," Mr Brumby said.

"This prestigious award is an opportunity for our leading early career researchers to earn well-deserved recognition for their work, and I urge Victoria's up-and-coming health and medical researchers to showcase their talents by nominating for the Award," Mr Brumby said.

"Previous winners are working in a variety of fields from cancer, stem cell and gene research through to diabetes, tuberculosis and malaria research and each are making major contributions to enhancing Victoria's international reputation for health and medical research," Mr Brumby said.

The Premier's Award provides \$16,000 for the winner and \$8,000 provided to each of the three runners-up.

Mr Brumby said the Jack and Robert Smorgon Families would also award a \$30,000 prize to the research institute associated with the work of the Premier's Award winner.

Innovation Minister Gavin Jennings said past winners worked in a range of health and medical fields and contributed to Victoria's reputation as a research pioneer.

"Our 2009 winner, Dr Kylie Mason, solved the mystery of how the life span of blood clotting cells is controlled and discovered that by adding a new class of anti-cancer drugs to standard chemotherapy it's possible to eradicate a resistant blood cancer in mice," Mr Jennings said.

The Victorian Government media release said the Premier's Award was an initiative of the Victorian Government and the Australian Society for Medical Research.

For more information and to apply online go to: www.business.vic.gov.au/premiersawards. Nominations close on February 16, 2010.

BIOTRON

Biotron expects to raise \$2.1 million from a fully underwritten non-renounceable one option-for-one share rights issue for the company's BIT225 hepatitis C program.

Biotron said the Bell Potter Securities and Martin Place Securities had agreed to underwrite the offer of two cent options, exercisable at 10 cents by December 30, 2011.

Biotron chief executive officer Dr Michelle Miller told Biotech Daily that investors who exercised the options at 10 cents by March 31, 2010 would receive a free option for every share acquired, exercisable at 20 cents by March 30, 2012.

Dr Miller said the company hoped the arrangement would be attractive to shareholders and raise necessary funds for the company's clinical trial program.

Dr Miller said that if one quarter of the new options were exercised early, the company would raise a further \$2.6 million.

Dr Miller said Biotron had 114 million shares on issue.

The record date for shareholders is December 22, 2009 and the offer closes on January 14, 2010.

Biotron fell 0.4 cents or 4.0 percent to 9.5 cents.

CYCLOPHARM

Cyclopharm says it has settled a legal claim with Clinquest for \$US1.8 million (\$A1.97 million) while its US phase III trial has been delayed by "several months".

Cyclopharm's managing director James McBrayer said discussions with the US Food and Drug Administration had delayed its phase III clinical trial of the Technegas nuclear medicine imaging system.

Mr McBrayer said an estimate of the delay had not been provided to the market but agreed it would be less than a year and "could be several months".

Mr McBrayer said the trial sites were "ready to go".

In a media release, Cyclopharm said it lodged a special protocol assessment with the FDA in October seeking input and agreement prior to commencing the new trial.

The company said the FDA responded requiring modifications to the protocol design.

Separately, Cyclopharm said it engaged Clinquest Inc from 2000 to 2007 to obtain approval from the FDA to sell Technegas in the US.

Cyclopharm said it had agreed that Clinquest could settle a legal claim by paying Cyclopharm \$US1.8 million.

The company said the year to date legal cost was \$810,000 and the settlement was a net pre-tax cash benefit of about \$1.1 million.

Taking into account capital cost write downs and tax implications, Cyclopharm said there would be "little or no impact to the profit and loss statement this financial year".

Cyclopharm said the US was a major growth opportunity and the company would review the strategy for funding the phase III clinical trial.

Cyclopharm was untraded at 10 cents.

CYTOPIA

Cytopia says the Australian Securities and Investments Commission has approved a delay of its annual general meeting to January 12, 2010.

The company said the meeting was originally going to be held on December 23, 2009 but ASIC allowed it to be held at the same time as the shareholders meeting to vote on the proposed takeover by Toronto's YM BioSciences through a scheme of arrangement.

The meetings will be at BDO Kendalls, Level 30, 525 Collins Street, with the annual general meeting at 9.45am and the scheme meeting at 10.30am.

Cytopia was up 0.6 cents or 6.8 percent to 9.4 cents.

UNILIFE MEDICAL SOLUTIONS

Unilife says it is not aware of any information that has not been announced which, if known, could be an explanation for recent trading in its securities.

The ASX said Unilife's share price fell 18.5 percent from \$102.5 cents on December 9, 2009 to 83.5 cents on December 10, along with an increase in trading volumes.

Unilife said it released its information memorandum for its proposed scheme of arrangement to move to the US and notice of general meeting on December 10, 2009.

Unilife was up six cents or 6.8 percent to 94 cents.