



Biotech Daily

Friday December 4, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ALCHEMIA UP 9.5%; PHOSPHAGENICS DOWN 5%**
- * **\$1.5m FOR BREAST STEM CELL CANCER RESEARCH**
- * **LIVING CELL'S 1st NZ DIABETES PATIENT REDUCES INSULIN 30%**
- * **BIOTA PROMOTED TO S&P ASX 200**
- * **AUSTRALIAN ETHICAL TAKES 7.7% OF TISSUE THERAPIES**
- * **ORBIS TAKES 6.5% OF AVEXA**
- * **NATIONAL INNOVATION PRINCIPLES ADOPTED**
- * **NEUREN MEETING FOR SPRINGTREE, SHARES, DIRECTOR**
- * **PHYLOGICA EXTENDS CAPITAL RAISING HALT TO SUSPENSION**

MARKET REPORT

The Australian stock market fell 1.5 percent on Friday December 4, 2009 with the S&P ASX 200 down 72.4 points to 4702.2 points.

Twelve of the Biotech Daily Top 40 stocks were up, 16 fell, five traded unchanged and seven were untraded.

Alchemia was best, up 6.5 cents or 9.5 percent to 75 cents with 153,565 shares traded, followed by Antisense up 0.3 cents or 5.2 percent to 6.1 cents with 104,172 shares traded.

QRX climbed 4.9 percent; Nanosonics was up 4.2 percent; Biota and Chemgenex were up more than three percent; Genera and Sunshine Heart rose more than two percent; with Clinuvel and Living Cell up more than one percent.

Phosphagenics led the falls, down 0.4 cents or five percent to 7.6 cents with 423,605 shares traded.

Bionomics and Genetic Technologies lost more than four percent; Cellestis, Patrys, Prima and Tissue Therapies were down more than three percent; Avexa, Cochlear, Novogen, Optiscan and Viralytics shed two or more percent; with CSL and Universal Biosensors down more than one percent.

[VICTORIAN BREAST CANCER RESEARCH CONSORTIUM](#)

The Victorian Breast Cancer Research Consortium has provided \$1.5 million to research the role of breast stem cells in breast cancer.

A media release from the Walter and Eliza Hall Institute said the research aims to discover whether breast stem cells or their descendants were directly linked to breast cancer development.

The funding, intended to lead to new treatments for breast cancer, was awarded to the Walter and Eliza Hall Institute's Prof Geoff Lindeman and Prof Jane Visvader; the Peter MacCallum Cancer Centre's Prof Stephen Fox and the Royal Melbourne Hospital's Professor Bruce Mann.

Prof Lindeman said understanding how breast stem cells and their descendants - luminal progenitor cells - were involved in normal breast development would contribute to understanding of how breast cancer develops.

"The breast stem cell is like a seed that gives rise to all the ducts and milk-producing cells in the breast," Prof Lindeman said.

"Stem cells are required for replenishing breast tissue during normal monthly cycles in women and for generating new breast tissue during pregnancy and lactation," Prof Lindeman said.

"It is possible that stem cells or their 'daughters' - luminal progenitor cells - may be important target cells in which genetic mishaps progressively accumulate, ultimately leading to breast cancer," Prof Lindeman.

The Walter and Eliza Hall Institute media release said that in August Prof Visvader and Prof Lindeman's team in the institute's Molecular Genetics of Cancer division published their finding that a population of breast cells called luminal progenitor cells was likely to be responsible for breast cancers that develop in women carrying mutations in the gene BRCA1.

The Institute said BRCA1 gene mutations were found in 10-20 per cent of women with hereditary breast cancer and women with BRCA1 mutations often developed 'basal-like' breast cancer, which was a particularly aggressive form of the disease.

The Institute said the discovery built upon the 2006 discovery, also by Prof Lindeman and Prof Visvader, of breast stem cells in mice.

The discoveries combined have led to a major shift in the way scientists think breast cancer develops, the media release said.

The Institute said the Victorian Breast Cancer Research Consortium funding would provide for the study of breast tissue from women who have contributed samples to the Kathleen Cunningham Foundation Consortium for Research into Familial Breast Cancer - a consortium that collects data and bio-specimens from women with a family history of cancer and who have undergone prophylactic mastectomies or surgery for breast cancer. Prof Visvader said the research could lead to new breast cancer treatments.

"If we can understand the cells within breast tissue that are predisposed to becoming cancer cells and identify flags, or markers, on these cells, we can use them to refine therapies to eradicate cancer cells," Prof Visvader said.

The media release said the funding would also go toward finding compounds that switch off a gene called LMO4.

The molecule produced by the LMO4 gene is overproduced in more than 50 percent of people with breast cancer and appears to be involved in the causation and progression of breast cancer.

Prof Visvader said reducing LMO4 levels could be an effective way of targeting breast cancer cells.

LIVING CELL TECHNOLOGIES

Living Cell says the first New Zealand type 1 diabetes patient implanted with its Diabecell has reduced his insulin dose and "is progressing well".

Middlemore Hospital endocrinologist Dr John Baker the principal investigator at the Auckland-based hospital's Centre for Clinical Research and Effective Practice said the patient received Living Cell's encapsulated insulin-producing porcine islet of Langerhans cells on October 6, 2009 had "reduced his insulin dose and suffered no ill effects to date". Living Cell said the announcement was "in response to numerous queries from the public" and the Centre for Clinical Research and Effective Practice reported that the 48-year-old man, with type 1 diabetes for 20 years, had started to drop his daily insulin dose by 30 percent, while maintaining his usual blood glucose levels.

The company said clinical details were limited as the trial was at an early stage and was designed to keep the principal investigator unbiased and blinded to selected clinical information.

Living Cell medical director Prof Bob Elliott said he was "delighted by the response of this first patient".

"The clinical results are consistent with what I expected to see at this very early stage in the trial," Prof Elliott said.

Living Cell said a second New Zealand patient would receive the Diabecell implant in December and two more patients early in 2010, all of whom will then have received the dose of 10,000 islet equivalents per kilogram body weight (IEQ/kg).

The company said a further four patients would follow with the top dose of 15,000 IEQ/kg in this trial.

Living Cell said type 1 diabetes occurs when the body's own immune system destroys the insulin-producing beta cells of the pancreas.

Five to 10 percent of the more than 200 million diabetics worldwide have insulin dependent type 1 diabetes, which is associated with kidney failure, blindness, nerve damage, life-threatening cardiovascular disease and limb amputations.

Current treatment options include multiple daily injections of insulin.

Living Cell was up half a cent or 1.85 percent to 27.5 cents

BIOTA, STANDARD & POOR'S

Biota has been promoted to the Standard & Poor's ASX 200 and the Standard & Poor's All Australian ASX 200.

A Standard & Poor's executive said the All Australian Index didn't include foreign domiciled companies like News Corp and Resmed.

No other biotechnology companies were promoted and none were demoted from the rebalanced indices.

The leading indices are rebalanced every three months while the ASX300 is rebalanced six-monthly and the All Ordinaries annually.

Biota was up nine cents or 3.1 percent to \$3.01 with 1.8 million shares traded.

TISSUE THERAPIES

Australian Ethical Investments has become a substantial shareholder in Tissue Therapies with a holding of 8,000,000 shares or 7.18 percent.

Australian Ethical's Smaller Companies Trust acquired the shares for \$1,200,000 or 15 cents a share.

Tissue Therapies fell half a cent or 3.3 percent to 14.5 cents.

AVEXA

Orbis Investment Management has become a substantial shareholder in Avexa with a holding of 47,660,761 shares or 6.46 percent.

Orbis acquired the shares in placements and purchases for \$7,441,218 or 15.6 cents a share.

Avexa fell half a cent or 2.8 percent to 17.5 cents with 2.5 million shares traded.

NATIONAL INNOVATION

Federal, State and Territory Innovation Ministers have adopted a set of national innovation principles in Melbourne today.

A media release from Federal Innovation Minister Senator Kim Carr said the principles were intended "to guide policy development and increase the consistency of government innovation programs across Australia".

A Departmental briefing paper said the Framework was initiated through the 2008 Review of the National Innovation System, when an Intergovernmental Working Group of representatives across governments assessed and reviewed current government support for innovative activities.

"This is a real first for national innovation policy, and a vivid demonstration of governments working together to make all Australian innovation programs efficient and accessible," Senator Carr said.

"The adoption of these principles by all governments will increase the coordination of innovation program design to ensure that innovation programs are complementary and respond to the changing needs and priorities of Australian businesses," Senator Carr said. The media release said that other agreements reached today included developing a national science communication strategy and fast-tracking innovators into Commercialisation Australia.

"A national science communication strategy will mean that the wonders of science will reach even further into the lounge rooms of Australian households," Senator Carr said.

"A coordinated national approach to science communication will see much stronger results from a range of currently fragmented activities around the country," he said.

Senator Carr said the agreement to build on existing commercialization capabilities in each State and Territory, through Commercialisation Australia, would further support high-wage, high skill jobs amongst Australian innovators.

"Commercialisation Australia, operating from January 2010, will provide a radical new approach to commercializing promising Australian research and ideas," he said.

"Thanks to this meeting, Commercialisation Australia has the potential to become a truly national program that will recognize skills gained through State and Territory initiatives and fast-track high quality applicants," Senator Carr said.

The media release said that a multimedia project with an interactive suite of web, video and print media encompassing real-life stories and experiences of 25 leaders from five industry innovation councils is at www.innovation.gov.au/innovationprofiles.

NEUREN

Neuren will hold a special meeting to appoint Dr John Holaday as a director, ratify the Springtree convertible note and stock draw down facility and issue shares.

The meeting will be held at Neuren's offices at Level 2, 57 Wellington Street, Freemans Bay, Auckland New Zealand on December 22, 2009.

Neuren fell 0.6 cents or 11.3 percent to 4.7 cents with 3.6 million shares traded.

PHYLOGICA

Phylogica has requested a suspension to follow on from the trading halt requested on December 2, 2009 relating to a proposed capital raising.
Phylogica last traded at 12 cents.