



# Biotech Daily

Monday February 23, 2009

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: PHYLOGICA UP 67%, LABTECH DOWN 19%**
- \* **ACRUX PHASE II CONTRACEPTIVE SPRAY TRIAL SUCCESS**
- \* **HEALTHLINX: MILK-DERIVED ANTI-FAT COMPOUND WORKS IN RATS**
- \* **MEDICAL THERAPIES EXTINGUISHES \$1.1m NOTE OBLIGATION**
- \* **KARMELSONIX RAISES \$1m; \$450k THRU 1.5¢ SHARE PLACEMENT**
- \* **SOLAGRAN APPOINTS BELGRAVIA'S DR ROBERT PAYNE DIRECTOR**
- \* **IMMURON CONTINUES HADASIT NEGOTIATIONS**

## MARKET REPORT

The Australian stock market fell 1.5 percent on Monday February 23, 2009 with the S&P ASX 200 down 51.2 points to 3,351.2 points.

Nine of the Biotech Daily Top 40 stocks were up, 13 fell, six traded unchanged and 12 were untraded.

Phylogica was best, up two cents or 66.7 percent to five cents with 65,000 shares traded, followed by Clinuvel up 1.5 cents or 7.5 percent to 21.5 cents.

Arana climbed 4.4 percent; Progen was up 3.7 percent; Benitec rose 2.5 percent; with Chemgenex, Heartware and Mesoblast up more than one percent.

Labtech led the falls, down 2.5 cents or 18.52 percent to 11 cents with 120,000 shares traded, followed by Impedimed down 11.5 cents or 16.1 percent to 60 cents.

Genera lost 8.3 percent; Prana fell 7.7 percent; Cellestis was down 6.1 percent; Cytopia and Sirtex fell more than four percent; Acrux and Alchemia were down more than three percent; Bionomics, Peplin and Resmed shed more than two percent; with Pharmaxis down 1.68 percent.

## [ACRUX](#)

Acrux is looking for a commercial partner following positive phase II results for its Nestorone metered dose transdermal spray contraceptive skin spray.

Acrux said the Nestorone metered dose transdermal spray (MDTS) was designed to be a better choice for women using hormonal contraceptive pills or patches.

Acrux said three of four contraceptive pills and the only approved contraceptive patch, contained both a progestin and ethinyl estradiol which was an estrogen.

Acrux said its trials in Australia with 40 women tested a number of its skin spray formulations, applied to the forearm once a day for 14 days.

Dr Treagus told Biotech Daily that the data showed that his company's spray delivery of ethinyl estradiol was "in the optimum window" and the greater uptake of the existing patch Ortho Evra was not necessarily a good thing.

"The delivery of Ortho Evra is considered by some to be in excess of what is required," Dr Treagus said.

"There have been reports of side effects of breast tenderness and water retention among some patients," Dr Treagus said.

The formulations contained the proprietary new generation progestin Nestorone, combined with either ethinyl estradiol or estradiol as the estrogen.

The amount of each of these hormones in the blood was measured once a day and every four hours on day 14.

Acrux said these were the first trials to test the performance of daily sprays over an extended period.

In earlier trials Acrux has tested only single doses of Nestorone MDTS formulations.

Formulations containing Nestorone and ethinyl estradiol successfully delivered therapeutic amounts of both hormones across the skin into the blood.

All spray formulations were well tolerated, with no serious adverse events recorded.

Acrux said the next step in the development of the contraceptive spray was expected to be a phase II dose-ranging clinical trial before conducting phase III global registration trials.

Acrux said that through its alliance with Orion Corp, it would have the capability to provide commercial manufacture and supply of Nestorone MDTS and Acrux would engage a commercial partner to undertake the remaining clinical trials.

Dr Treagus said the company was awaiting these trial results before beginning the search for a commercial partner.

"These multi-dose, steady-state results are very exciting and represent the first extended trial of our unique combination contraceptive sprays," Dr Treagus said in a media release to the ASX.

"The results with Nestorone, together with our formulation work on other contraceptive progestins, now place Acrux in a strong position to make commercial progress in this very large market," he said.

Acrux said the global contraceptive market was worth \$US7.2 billion in 2007 and by 2012 is estimated to have grown by 45 percent.

Previously, Acrux has said that Nestorone was a fourth generation progesterone drug which was not effective orally.

Acrux fell 1.5 cents or 3.23 percent to 45 cents.

## [HEALTHLINX](#)

Healthlinx says a collaboration with Dairy Australia has shown the milk-derived bioactive LAP001 reduces production and storage of fat in cells and shows weight loss in rats. Healthlinx said its studies showed “consistent weight loss after administration of the compound” to rats.

The company said the research had been ongoing for three years funded by Dairy Australia, the dairy farmers and producers industry organization.

Proteins from the milk production waste stream were used as the source material and then fractionated, Healthlinx said.

The fractionated material was screened for bioactivity and was found to have adipogenic activity.

The company said an independent animal study was conducted by a Melbourne-based research institute that confirmed activity.

Healthlinx managing director Nick Gatsios said the findings “could pave the way” for a product as a tablet or food additive that could achieve weight loss in humans.

“If this possibility were to become a reality, Dairy Australia and Healthlinx would pursue commercialization with the intention of making it available for public purchase,” Mr Gatsios said.

“However, any product will take a number of years to develop.”

The LAP001 bioactive was shown to reduce the amount of fat produced and stored by cells in culture and animal testing was adopted to analyze this further.

The test subject was a group of rats that were fed a high fat diet over four weeks with the results indicating the LAP001 bioactive leads to a dose-dependent reduction in weight gain as well as a drop in blood glucose levels.

Further analysis is being undertaken into the histological and hormonal actions of LAP001 to gain a better understanding of its possible effects.

Healthlinx and Dairy Australia have filed provisional patents covering the preparation and bioactivity of LAP001 related compounds.

Healthlinx said a final report was expected in the next two weeks and discussions would be held with Dairy Australia on how to progress the compound.

Healthlinx was untraded at 6.3 cents.

## [MEDICAL THERAPIES](#)

Medical Therapies has extinguished its \$1.1 million convertible note obligations and completed its capital raising.

Medical Therapies has issued 7,500,000 ordinary shares at three cents each and 7,500,000 converting notes at a face value of three cents each for a total consideration of \$450,000.

The converting notes have been issued at a zero coupon rate and will automatically convert into ordinary shares at the rate of one share per note once shareholder approval to issue the shares on conversion of the notes has been received.

Medical Therapies will call an extraordinary general meeting of shareholders at the earliest possible time, but not later than six months from the date of issue, to seek approval for the conversion of the converting notes.

Note-holders have been issued 2.55 ordinary shares and have been paid 6.8 cents cash for each convertible note held.

The company said it had paid \$454,239 and issued 17,033,994 shares to note-holders and “therefore fully satisfied the conditions of the amended terms of the convertible notes”.

Medical Therapies was untraded at three cents.

### KARMELSONIX

Karmelsonix says it has raised \$1 million partly through a \$450,000 placement of shares at 1.5 cents each.

Karmelsonix said the balance of the capital raising was through the issue of a combination of ordinary shares, partly paid shares and interest bearing redeemable convertible preference shares.

The company said the partly-paid shares and redeemable convertible preference shares would remain unlisted until fully paid up or converted at which time they would be listed on the same basis as the existing ordinary shares. The placement shares come with one option exercisable at five cents for each four new shares.

Karmelsonix said the funds would continue the Personal Wheezometer commercialization program and be used for the continued roll-out of the Pulmotrack device.

The company said some of the ordinary shares would be issued immediately under the 15 percent rule, but others would be subject to shareholders approval to be sought at a meeting on March 23, 2009 at Suite 1, 1233 High Street, Armadale, Victoria at 10am.

Karmelsonix climbed 0.2 cents or 13.33 percent to 1.7 cents.

### SOLAGRAN

Solagran has appointed Dr Robert Payne as a non-executive director.

Solagran said Dr Payne holds a PhD in inorganic chemistry and in Germany was awarded the Alexander von Humboldt Scholarship and has completed the Harvard Business School Program for Management Development.

Dr Payne was formerly a biotechnology analyst at Hartley Poynton and a commercial analyst at Freehills Technology Services.

Between 2000 and 2006 he was chief executive officer of State Development Fund Limited, a wholesale and retail fund.

Dr Payne is currently a director of Belgravia Funds Management an investment manager whose website says it is owned by Geoffrey Lord Family Trust (BD Oct 14, 2008).

Solagran fell 1.5 cents or 13.04 percent to 10 cents.

### IMMURON

Immuron says it is continuing strategic alliance talks on type 2 diabetes and metabolic syndrome with Hadasit Research Services and Development.

Immuron (formerly Anadis) said Hadasit was the commercialization arm of Israel's Hadassah Medical Organization.

The company said the alliance was using Hadassah's intellectual property to expand the results obtained from preclinical work conducted by Hadassah using Immuron's hyper immune cow colostrum.

Immuron fell 0.3 cents or 6.98 percent to four cents.