



Biotech Daily

Tuesday February 3, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PSIVIDA UP 30%, GENETIC TECHNO DOWN 19%**
- * **LUDWIG LINKS INFLAMMATION TO COLON CANCER; NEW TARGETS**
- * **CORRECTION: BIOTECH DAILY AND ASX MARKET CAPITALIZATIONS**
- * **TGA APPROVES NANOSONICS' TROPHON EPR; FEBRUARY SALES**
- * **MONASH RESEARCH BREAKTHROUGH TO TREAT MALARIA**
- * **NOMINATIONS FOR 2009 PRIME MINISTER'S SCIENCE PRIZES**
- * **ETHICAL INVESTOR FORUM: BIOTECH A SUSTAINABLE INVESTMENT**
- * **EURO PATENT FOR HEALTHLINX PROTEIN DEPLETION TECHNOLOGY**
- * **PSIVIDA PROMOTES M-D DR PAUL ASHTON TO PRESIDENT, CEO**

MARKET REPORT

The Australian stock market climbed 0.32 percent on Tuesday February 3, 2009 with the S&P ASX 200 up 11.3 points to 3,508.7 points.

Nine of the Biotech Daily Top 40 stocks were up, 14 fell, nine traded unchanged and eight were untraded.

Psivida was best, up 32 cents or 29.9 percent to \$1.39 with two shares traded, followed by Cytopia up two cents or 22.22 percent to 11 cents with 50,000 shares traded and Starpharma up two cents or 11.11 percent to 21 cents.

Genera Biosystems climbed 10 percent; Clinuvel and Sirtex were up more than six percent; Living Cell was up 4.4 percent; Mesoblast rose 2.56 percent; with Prana and Resmed up more than one percent.

Genetic Technologies led the falls, down 0.9 cents or 19.15 percent to 3.8 cents with 90,000 shares traded, followed by Benitec down 9.09 percent to three cents.

Pharmaxis lost 8.75 percent; Viralytics fell 7.89; Acrux and Ventracor were down more than five percent; Alchemia, Cellestis and Cochlear were down more than three percent; Arana, Bionomics, Biota, Circadian and Progen shed more than two percent; with Avexa and CSL down more than one percent.

LUDWIG INSTITUTE FOR CANCER RESEARCH

The Ludwig Institute for Cancer Research and the Technical University Munich say they have shown how the Stat3 protein links inflammation to tumor development.

A media release issued by the Ludwig Institute said the discovery “may lead to the identification of new therapeutic targets for colon cancer”.

The Ludwig Institute said chronic inflammation was “widely believed to be a predisposing factor for colon cancer [but] the exact mechanisms linking these conditions have remained elusive”.

The Institute said aberrant activation of the intracellular signaling protein, Stat3, was associated with inflammation and cancers, including those of the gastrointestinal tract.

The collaboration was sparked by discussions between Prof Matthias Ernst of the Melbourne branch of the Ludwig Institute and Prof Florian Greten of the Technical University Munich at a scientific meeting, when they discovered they were separately pursuing the mechanism by which Stat3 links inflammation to gastrointestinal cancers.

The two joined forces and the results of their collaboration entitled ‘gp130-Mediated Stat3 Activation in Enterocytes Regulates Cell Survival and Cell-Cycle Progression during Colitis-Associated Tumorigenesis’ were published on-line today in the journal Cancer Cell ([http://www.cell.com/cancer-cell/issue?pii=S1535-6108\(09\)X0002-4#](http://www.cell.com/cancer-cell/issue?pii=S1535-6108(09)X0002-4#)).

The Ludwig Institute said the paper provided “the first direct evidence confirming the role for Stat3 in inflammation-associated tumorigenesis”.

“Using an inflammation-associated cancer model in genetically manipulated mice, the team identified a relationship between epithelial cell Stat3 activity and colonic tumor incidence, as well as tumor growth,” the Ludwig Institute said.

“They also determined that stimulation of Stat3 by the cytokines IL-6 and IL-11, chemicals produced by inflammatory and other tumor-associated cells, promotes both cell survival and growth of tumor cells,” the Institute said.

“Colon cancer is the second most frequent malignancy in the developed world so it was no surprise to find another group working on the Stat3 question and trying to find new ways to target colon cancer,” Prof Ernst said.

“Together we’ve been able to learn how Stat3 bridges chronic inflammation and tumor promotion by mediating cell survival during an inflammatory event and enhancing tumor cell growth,” Prof Ernst said.

“Our new findings are very much in line with our previous work on the role of Stat3 in mediating inflammation-associated gastric cancer. We expect this knowledge to strengthen efforts for the development of therapeutics that target the link between inflammation and cancer to ... benefit the treatment of cancer patients,” Prof Ernst said.

The Ludwig Institute said the University of California at San Diego’s Prof Michael Karin reached similar conclusions in a paper published in the same issue of Cancer Cell.

BIOTECH DAILY ASX MARKET CAPITALIZATION

In yesterday’s Biotech Daily monthly update Peplin’s market capitalization - according to Commsec Iress using data provided by the ASX - was quoted as \$101 million.

Peplin’s chief financial officer David Smith says the figure does not include US-held common stock and the true market capitalization of the company is \$182 million.

The ASX failure to account for stock held off-shore has a much greater impact on Resmed, which the ASX says has a market capitalization of about \$900 million, but the company’s website shows it has a market capitalization of \$4,635 million.

ASX spokesman Matthew Gibbs says the ASX can only provide data on Australian listings.

NANOSONICS

Nanosonics says it has full approval and certification to market the Trophon EPR from the Australian Therapeutic Goods Administration.

Nanosonics said the certification for the device, which is designed to disinfect intra-cavity and surface ultrasound transducers, was “a critical milestone in the global rollout of the Trophon product”.

The company said commercial shipments for Australia and New Zealand will commence in February with rollout into targeted European markets in March 2009.

Nanosonics said the TGA approval enabled it “to enter these markets and take advantage of the rapidly changing legislative requirements, which demands high level disinfection of intracavity ultrasound probes between each patient”.

The company said the growing market for high level disinfection “in an easy to use and environmentally friendly system” was driving strong customer demand for the product.

Nanosonics said it had an increased level of enquiries from global markets who wish to gain the earliest possible access to the novel Nano-nebulant technology.

The company said it had a strong product development pipeline using the Nano-nebulant technology, with the parallel development of three prototypes for which there was “advanced commercial interest”.

Nanosonics expects the further release of new products later in 2009.

Nanosonics climbed three cents or 14.29 percent to 25 cents.

MONASH UNIVERSITY

Monash University says a team led by Prof James Whisstock has made “a major breakthrough in the international fight against malaria”

A Monash University media release said the Australia Research Council Centre of Excellence in Structural and Functional Microbial Genomics team in collaboration with the University of Technology Sydney’s Prof John Dalton was able “to deactivate the final stage of the malaria parasite’s digestive machinery, effectively starving the parasite of nutrients and disabling its survival mechanism”.

Monash University said the process of starvation led to the death of the parasite.

Prof Whisstock said the results had laid the scientific groundwork to further develop a specific class of drugs to treat the disease.

Monash University said the research provided a new approach to treating and controlling the disease that was contracted by half a billion people, caused one million deaths a year and said a child dies from malaria every 30 seconds.

“About 40 percent of the world’s population are at risk of contracting malaria,” Prof Whisstock said.

“It is only early days but this discovery could one day provide treatment for some of those 2.5 billion people across the globe,” Prof Whisstock said.

“Drug-resistant malaria is an ever increasing problem, meaning that there is an urgent requirement to develop new therapeutic strategies,” he said.

Researchers used the Australian Synchrotron, adjacent to Monash University’s Clayton campus.

The results were published in the Proceedings of the US National Academy of Sciences.

PRIME MINISTER'S SCIENCE PRIZES

Nominations have opened for the 2009 Prime Minister's Prizes for Science.

A media release issued by the Prime Minister Kevin Rudd and Industry and Innovation Minister Senator Kim Carr said the nomination round gave research organisations, universities, education departments and schools "a unique opportunity to seek public acknowledgement of the outstanding efforts of their colleagues".

Five prizes will be awarded with \$300,000 going to the winner of the Prime Minister's Prize for Science and \$50,000 each for the Life Scientist of the Year; the Malcolm McIntosh Prize for Physical Scientist of the Year; the Excellence in Science Teaching in Primary Schools; and the Excellence in Science Teaching in Secondary Schools.

Nominations can be made online at www.innovation.gov.au/scienceprizes.

Inquiries can be emailed to pmprize@innovation.gov.au or telephone +612 6276 1264.

Nominations close on May 8, 2009.

ETHICAL INVESTOR FORUM

Ethical Investor magazine is holding one-day forums in Melbourne and Sydney in March bringing the life science sector to investment professionals.

The magazine said the forums would bring together specialists on the investment case for the life sciences industry including investors, consultants, analysts and companies.

Ethical Investor said that although fund managers, financial advisers and asset consultants were talking climate change, clean technology and sustainable investment, the forum would remind them that biotechnology and pharmaceuticals would also play a big part in the new economy.

Ethical Investor says that the ASX-listed biotechnology and pharmaceuticals sector is much larger than the cleantech segment.

In December the Intersuisse Biotechnology Index had 106 constituents with a total market capitalisation of \$27 billion. In contrast the ACT Australian Cleantech Index covered about 70 companies with a market capitalization of \$8 billion.

The Biotech Daily total listed sector market capitalization is \$32,592 million with the three Big Caps accounting for \$29,624 million and the Biotech Daily Top 40 Index (BDI-40) worth a further \$2,284 million.

Forum convener Michael Walsh said that investors needed to consider "whether population growth, longer life-expectancy and improving health standards are, along with climate change, the key ingredients of the trend towards a world economy founded on sustainability principles".

"If you accept that, then biotechnology and pharmaceuticals must form a core component of a proper sustainable investment strategy," Mr Walsh said.

"Too many Australian equities managers have a life-sciences investment strategy based solely on investing in Cochlear and CSL," Mr Walsh said.

"The midst of the global financial crisis is exactly the time when careful investment in discarded small biotechs will ultimately be most rewarding," he said.

The ESG Investment Forum series 'Biotechnology and pharmaceuticals' will be held in Melbourne on March 24, 2009 and Sydney on March 25, 2009.

Speakers at the forums include Ernst & Young's Winna Brown, Psivida director Peter Molloy, Brandon Capital partner Dr David Fisher, Bioshares editor David Blake and Optiscan chief executive officer Vicki Tutungi.

The 'early bird' conference cost is \$285 but a discount rate of \$195 applies for Biotech Daily subscribers.

For more details go to: <http://www.ethicalinvestor.com.au>.

[HEALTHLINX](#)

Healthlinx says the European Patent Office has granted its IgY patent 'Depletion of Plasma Proteins'.

Healthlinx said the patent covers the Clearit technology which was "a novel and adaptive approach to protein depletion and recovery for serum, plasma and other biological fluids".

The company said using Clearit, researchers would be able to target selected sets of proteins relevant to their specific research needs.

Healthlinx said Clearit targets a growing market for researchers, drug development and diagnostic companies where the discovery of disease specific biomarkers was an important element in achieving a competitive advantage in their internal programs.

Using this technology, researchers can selectively deplete the more abundant proteins to reveal other less abundant proteins that may be masked in a given biological extract.

Healthlinx chief executive officer Nick Gatsios said it was "another milestone the company has achieved ... and opens additional opportunities from which the company can generate revenues".

"We will seek to licence the core technology to a larger life sciences company who can commercialize the end product," Mr Gatsios said.

Healthlinx was untraded at 6.3 cents.

[PSIVIDA](#)

Psivida says managing director Dr Paul Ashton has been named as the company's president and chief executive officer.

Psivida chairman Dr David Mazzo said the board was "confident in Paul's ability to continue to provide strategic leadership and vision as the company advances its portfolio of drug delivery products".

Dr Ashton joined Psivida in December 2005 following the acquisition of Control Delivery Systems where he was co-founder, president, chief executive officer and a director.

He was appointed as Psivida's managing director in January 2007 and is a director.

Previously, Dr Ashton was a joint faculty member in the Departments of Ophthalmology and Surgery at the University of Kentucky, served on the faculty of Tufts University and worked as a pharmaceutical scientist at Hoffman-La-Roche.

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