



Biotech Daily

Monday July 20, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: CYTOPIA UP 16%, CATHRX DOWN 12%**
- * **STIRLING QUOTES JOURNAL ARTICLE ON HERBAL TB/HIV REMEDY**
- * **PHOSPHAGENICS IN COSMETICS DEAL WITH MÉTIER TRIBECA**
- * **GENERA PASSES TGA AUDIT; PAPTYP TEST IMPROVED**
- * **STEM CELL CENTRE 'SUPPORTS' DR LIVESEY, DR TRAIANEDES**
- * **FORTREND PROVIDES AVITA \$5m EQUITY DRAW-DOWN FACILITY**
- * **CHEMGENEX APPOINTS THOMAS DEZAO TO HEAD US SALES**
- * **SAFETY MEDICAL REQUESTS 'SALES FORECASTS' TRADING HALT**
- * **SOLAGRAN: SHARES UP 128% ON UPDATES, NOT \$5.5m PLACEMENT**
- * **ACTINOGEN APPOINTS CFO MARK KILLMIER COMPANY SECRETARY**
- * **CORRECTIONS: AGENIX, NARHEX**

MARKET REPORT

The Australian stock market climbed 1.24 percent on Monday July 20, 2009 with the S&P ASX 200 up 49.5 points to 4,050.3 points. Sixteen of the Biotech Daily Top 40 stocks were up, 12 fell, six traded unchanged and six were untraded.

Cytopia was best, up 1.1 cents or 16.2 percent to 7.9 cents with 40,800 shares traded followed by Phosphagenics up 8.3 percent to 13 cents. Chemgenex climbed 7.3 percent; Optiscan was up five percent; Compumedics climbed four percent; Biota and Starpharma were up more than three percent; Antisense, Cochlear, Heartware, Genetic Technologies and Prana rose more than two percent; Circadian, Peplin, Sirtex and Sunshine Heart were up more than one percent; with CSL and Novogen up by less than one percent.

Cathrx led the falls, down four cents or 11.6 percent to 30.5 cents with 126,446 shares traded followed by Tissue Therapies down 10.5 percent to 17 cents. Cellestis and Universal Biosensors lost five percent or more; Avexa fell 4.35 percent; Psivida and Viralytics were down more than three percent; Bionomics, Genera and Living Cell shed more than two percent; with Acrux, Pharmaxis and Resmed down by less than one percent.

STIRLING

Stirling Products says a study published in 'Future Medicine Immunotherapy' shows "a high rate cure of [tuberculosis] patients co-infected with HIV treated with Immunoxel. Stirling is the distributor of Immunoxel or Dzherelo as it is known in Kiev where it is being developed as an immunomodulator.

The study is entitled 'Enhancement of efficacy of tuberculosis drugs with Immunoxel (Dzherelo) in HIV-infected patients with active pulmonary tuberculosis' and is in the current edition of Immunotherapy.

An abstract is available at <http://www.futuremedicine.com/doi/abs/10.2217/imt.09.25>.

Stirling said that adjunct immunotherapy with the herbal supplement Immunoxel combined with first-line tuberculosis (TB) drugs resulted in clearance of mycobacterium tuberculosis in sputum cultures of 67 percent compared to 16 percent for patients treated with tuberculosis drugs alone, with average time to negative culture four and six months respectively.

Stirling said immunotherapeutic intervention produced significant positive changes in body weight and the incidence of opportunistic infections was reduced for patients taking Immunoxel compared to the control group with three episodes compared to 12 episodes. Stirling quoted the research paper saying that antiretroviral drug-naïve, TB/HIV co-infected patients with active pulmonary TB, were divided into two arms of 20 patients each to receive first-line anti-TB therapy alone or first-line anti-TB therapy with Immunoxel respectively.

The study reported that three patients in the control group (16%) and 12 patients in the Immunoxel group (67%) ($p=0.003$) patients had mycobacterium tuberculosis culture conversion, with time to negative culture of six and four months respectively.

Stirling said the findings "demonstrate that Immunoxel can contribute positively to the clinical efficacy of tuberculosis treatment drugs".

The company said the success in treating HIV with currently available antiretroviral therapies was "at peril because of increasing rates of tuberculosis in AIDS patients".

Stirling said the number of new TB cases has tripled in high HIV-prevalence countries and it was "the number one killer of people with HIV in the developing world".

The company said "drugs, diagnostics, and vaccines used to combat TB are outmoded ... [and] the TB bug is becoming more resistant to standard medications".

The convergence of TB with AIDS is now a major global health challenge since no new or effective drugs are available that can adequately address this deadly combination.

The company developing Immunoxel in the Ukraine is Ekomed LLC and its director Volodymyr Pylypchuk said tuberculosis was "a global emergency that when combined with HIV, the two diseases represent an almost impossible to treat lethal condition".

Stirling was up 0.4 cents or 23.53 percent to 2.1 cents with 164.8 million shares traded.

PHOSPHAGENICS

Phosphagenics has an agreement with the New York-based Métier Tribeca to launch cosmetic products using its tocopheryl phosphate mixture or TPM.

The size and nature of the licence agreement was not disclosed.

Phosphagenics said the cosmetics would be sold under the brand name Le Métier de Beauté with profits to be divided equally between the parties.

Phosphagenics said its TPM technology delivered small and large molecules topically into and through the skin with limited skin irritation and "lends itself perfectly to the delivery of active ingredients in personal care and cosmetic products".

Phosphagenics was up one cent or 8.33 percent to 13 cents.

GENERA BIOSYSTEMS

Genera says it has passed an Australian Therapeutic Goods Administration manufacturing facility and quality management system audit with “no major nonconformities” identified. Genera said it had four weeks in which to respond to the audit report and expected to be awarded a licence to manufacture in vitro diagnostic devices shortly after submission of its response to the audit.

The company said it was “on-track to deliver on its primary operational objectives for 2009, including Australian and European approval to market the Papttype [human papillomavirus] test”.

Genera said that a number of potential process enhancements to the Papttype technology had been identified and that clinical studies were on hold pending the incorporation of these improvements into the test and this had been completed.

The company said the primary enhancement eliminated a reagent transfer step, as well as streamlining other aspects of the test process to incorporate multiple reagent transfers simultaneously through a multichannel pipette, rather than the previous single channel pipettes.

Genera said the improvements had been shown to increase the reliability of the assay.

The clinical study of about 900 specimens using material collected at Melbourne’s Royal Women’s Hospital would recommence this week and the company said it was on track to complete the study in August 2009.

Genera fell one cent or 2.04 percent to 48 cents.

AUSTRALIAN STEM CELL CENTRE

The Australian Stem Cell Centre says all matters relating to former chief executive officer Dr Stephen Livesey and former senior scientist Dr Kathy Traianedes have been resolved. The Centre said in an announcement posted on its website that it would “support the continuation of their research... [and] facilitate the continuation of their research interests at a new organization”.

Dr Livesey departed the Centre in controversial circumstances last year and the seven member board later resigned (BD: Jul 30, Sep 5, 2008).

On July 17, 2009 the Australian Stem Cell Centre said it has an agreement with Dr Livesey and Dr Traianedes in which it would “facilitate the continuation of their research interests at [Melbourne’s St Vincent’s Hospital] and whereby Dr Livesey and Dr Traianedes have agreed to cease all legal action against the ASCC in respect of their employment”.

The Centre said the terms of the resolution were confidential but it is believed that the relationship would be closer than a parting of the ways.

The Australian Stem Cell Centre’s chair Prof Graham Macdonald said the centre was “very pleased to be able to assist Dr Livesey and Dr Traianedes to continue their research into tissue repair”.

“The achievements of Dr Livesey and Dr Traianedes in the areas of tissue repair and stem cells are remarkable,” Prof Macdonald said.

“In addition the ASCC recognizes the outstanding contribution of Dr Livesey to the development of the ASCC during his tenure as chief executive officer and prior to that as chief scientific officer.”

Dr Livesey told Biotech Daily that the focus of his work with his wife Dr Traianedes at St Vincent’s Hospital would be on the development of adult stem cells and matrices for use in spinal cord injury and bone marrow transplant.

AVITA MEDICAL

Avita says it has a three year, \$5 million equity draw-down facility with Fortrend Securities to advance commercialization of its Recell spray wound treatment.

Avita's chief executive officer Dr William Dolphin said the new capital would be used "to advance marketing and sales initiatives mainly in European markets".

Dr Dolphin said the funding "provides financial security and will help us increase market penetration for Recell".

"We believe Recell will redefine the clinical treatment of burns, scar remodeling and other skin defects and injuries and will become the new standard of care for burns and wounds treatment in the future," Dr Dolphin said.

Fortrend chief executive officer Joe Forster said Avita's products "represent the next generation of health care technology and offer substantial benefits to patients and cost savings to health care systems".

"Recell is a disruptive technology with the potential to revolutionize wound care markets," Mr Forster said.

Avita Medical was recently awarded a \$US1.45 million grant from the US Armed Forces Institute of Regenerative Medicine to accelerate approval of the its Recell device in the US (BD: May 27, 2009).

Avita was up 0.6 cents or 6.5 percent to 9.8 cents.

CHEMGENEX

Chemgenex has appointed Thomas Dezao as senior vice president and chief commercial officer, effective immediately.

The company said Mr Dezao would lead its commercial efforts including sales, marketing and the coordination of manufacturing activities for the launch of omacetaxine in the US. Chemgenex's chief executive officer Dr Greg Collier said Mr Dezao was "a highly respected executive in the pharmaceuticals industry and we are delighted that he will be joining Chemgenex as he brings the crucial experience and expertise to lead a successful launch of omacetaxine in the US next year".

Dr Collier said Chemgenex was "on-track" to complete the submission of the new drug application to the US Food and Drug Administration by October 2009 with the European submission due by the end of 2009.

Chemgenex said Mr Dezao had "more than 25 years of drug sales and marketing experience and a significant track record of achievement with several pharmaceutical companies who have launched innovative products in the US oncology market".

The company said Mr Dezao was Genitope Corp's vice president of strategic marketing and sales for six years, "where he created a solid foundation for the commercialization of the Myvax personalized immunotherapy for follicular non-Hodgkin's lymphoma.

Prior to Genitope, Mr Dezao was the vice-president of marketing and medical affairs at Corixa Coulter Pharmaceuticals, where he played a pivotal role in the collaboration with Glaxosmithkline to develop and launch Bexxar.

Chemgenex climbed four cents or 7.3 percent to 58.5 cents.

SAFETY MEDICAL PRODUCTS

Safety Medical has requested a trading halt pending an announcement "regarding revised sales forecasts".

Trading will resume on July 22, 2009 or on an earlier announcement.

Safety Medical last traded at 5.1 cents.

SOLAGRAN

Solagran has told the ASX that Malaysian regulatory approval for Bioeffective A and a media release on its patents could explain a 128% share price jump.

The ASX said the company's share price rose from 12.5 cents on July 9, 2009 to 28.5 cents on July 15, 2009, a rise of 128 percent, along with an increase in trading volume.

Solagran told the ASX that on the evening of July 17 2009 it reached agreement for a \$5.54 million investment, but believed that the details remained confidential.

Solagran said an unnamed representative of the Salim Group would be appointed a director following the placement of 36,916,918 shares at 15 cents a share.

The company described the Salim Group which would hold about 13% of Solagran as "a leading Asian business group with significant interests in the food processing, animal husbandry, agriculture and distribution sectors".

The issue was placed by James St Capital.

Solagran fell 9.5 cents or 31.7 percent to 20.5 cents with 4.9 million shares traded.

ACTINOGEN

Actinogen has appointed chief financial officer Mark Killmier as company secretary, from today, replacing David Zohar.

Actinogen said Mr Killmier was appointed chief financial officer on May 7, 2009 and has more than 25 years experience in business and finance, working in the mining, manufacturing and engineering sectors, in Australia and the UK.

He has a Master of Business Administration from the University of Western Australia.

Actinogen was untraded at 9.5 cents.

CORRECTIONS: AGENIX, NARHEX

Friday's edition reported that Agenix received its June payment of RMB500,000 (\$A91,485). This takes the total received since December 2008 to RMB4,000,000, not as reported.

In the article on Narhex in the same edition Biotech Daily referred to the annual report for the year to June 31.

Predictably, the mistakes were made by a sub-editor.

Under the recently introduced Commonwealth Prevention Of Cruelty To Sub-Editors Act 2009, Biotech Daily is prevented from taking appropriate punitive action and will withhold RMB500,000 from the sub-editor's salary which will be paid on the next June 31.