



Biotech Daily

Thursday March 12, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP: CYTOPIA UP 29%; NOVOGEN DOWN 16%**
- * **VENTRACOR HEART PUMP COMPLETES US TRIAL, MEETS GOAL**
- * **ASSET SELECTION TAKES 5% OF CYTOPIA**
- * **BENITEC CANCELS CSIRO PROTRACTED CONTRACT NEGOTIATIONS**
- * **BIOPHARMICA WANTS PARTNER FOR NEW CLASS OF CANCER DRUGS**
- * **AUSBIOTECH'S MARCH BIO-BEERS**

MARKET REPORT

The Australian stock market retreated 0.27 percent on Thursday March 12, 2009 with the S&P ASX 200 down 8.9 points to 3,235.5 points.

Twelve of the Biotech Daily Top 40 stocks were up, 11 fell, nine traded unchanged and eight were untraded.

Cytopia was best, up two cents or 28.57 percent to nine cents with 36,000 shares traded, followed by Chemgenex up 24.29 percent to 43.5 cents and Viralytics up 11.43 percent to 3.9 cents.

Living Cell climbed 9.76 percent; Benitec was up 8.57 percent; Biota rose 6.8 percent; Genera was up 3.85 percent; Pharmaxis, Psivida and Starpharma rose more than two percent; with Nanosonics up more than one percent.

Novogen led the falls, down 7.5 cents or 15.6 percent to 40.5 cents with 51,466 shares traded followed by Sunshine Heart down 9.09 percent to five cents.

Clinuvel lost 5.13 percent; Bionomics, CSL, Optiscan and Phylogica fell more than four percent; Cellestis was down 3.74 percent; Progen and Resmed shed more than two percent; with Acrux, Avexa and Circadian down more than one percent.

VENTRACOR

Ventracor has completed the US bridge-to-transplant trial of its Ventrassist left ventricular assist device meeting safety and efficacy goals.

Ventracor said the Data and Safety Monitoring Board reviewed the clinical data and concluded that the Ventrassist left ventricular assist device (LVAD) met the trial's performance goal with adverse event rates "felt to be consistent with the published rates for similar populations and devices and markedly improved over first generation pulsatile LVADs".

Ventracor said that based on the interim analysis of 98 patient outcomes, the trial showed 78.6 percent success to the trial definition of the target outcome of survival to heart transplantation or listing for heart transplantation at 180 days.

Review of all patients implanted showed that 85 percent were transplanted or alive on support at six months, and 82 percent were transplanted or alive on support at 12 months. There was a statistically and clinically significant improvement in quality of life test scores and functional status over time, the company said.

Ventracor said the cardiology principal investigator for the trial Dr Andrew Boyle would present the clinical results at the Late Breaking Clinical Trial Session of the annual scientific meeting of the American College of Cardiology March 29-31, 2009 in Orlando, Florida.

Ventracor's chief executive officer Peter Crosby said the results were "outstanding achievement by the whole team and we especially thank the physician investigators, and the patients, who participated in this trial".

"We are proud that the Ventrassist LVAD is the first centrifugal pump and the first third generation pump to have successfully completed a clinical trial in the US," Mr Crosby said. "We look forward to compiling the results ready for an application to the US FDA for pre-market approval," Mr Crosby said.

Mr Crosby told Biotech Daily that patients deciding to remain on the Ventracor heart pump instead of continuing to a transplant were considered for trial purposes to be a failure.

He said the overall results were as good as he had hoped and unlikely to be significantly beaten by any other device.

"I would be surprised if any of those in development were any better," Mr Crosby said.

"The results are driven as much by patient selection as the device," he said.

He said the successful completion of the trial should raise the interest of potential investors or acquires beyond those currently in negotiations.

Mr Crosby said that depending on funding it would take three to six months to submit all the required data to the FDA for pre-market approval.

He said that Ventracor was still recruiting patients for the FDA-approved Ventrassist destination therapy trial, with the company receiving revenue for each implant.

Ventracor was in a voluntary suspension and was untraded at 8.3 cents.

CYTOPIA

Asset Selection Advisers of West End in Brisbane has become a substantial shareholder in Cytopia with a holding of 4,315,761 shares or 5.1 percent of the company.

The company, which cited Craig Hickman as a director, said it paid \$1,033,249 for the shares, an average of 23.9 cents a share.

Cytopia said the investor had been buying shares for several years

Cytopia was up two cents or 28.57 percent to nine cents.

BENITEC

Benitec has told the Commonwealth Scientific and Industrial Research Organization it "does not wish to proceed at this time to restructure their commercial arrangements".

Benitec chief executive officer Sue MacLeman said that "given the current market conditions, this is the most prudent approach to retain shareholder value".

Ms MacLeman said the existing arrangements would continue.

Last year, Benitec suspended a \$5.1 million rights issue (BD: May 23, 2008) saying the unnamed underwriter wanted Benitec to restructure its relationship with the CSIRO.

Benitec said at that time the CSIRO relationship was governed by agreements dating from December 2003 to August 2006 and the agreements needed adjustment before further significant investment or merger and acquisition transactions could be made.

It is believed that Benitec was offering CSIRO a significant equity stake in return for removal of the two agreements, one of which lapses in December 2010.

Today, Ms MacLeman said CSIRO and Benitec were "strong partners with aligned interests" and when the financial markets improved Benitec would revisit negotiations.

The company said that in 2007, it offered CSIRO equity in exchange for the removal of the capital growth agreement and benefit-sharing terms of the commercial agreement.

At the annual general meeting in November 2008, the company said it had reached an in-principle agreement with CSIRO. Since then, Benitec and CSIRO substantially finalized negotiations, but with the global financial crisis and other developments, Benitec said it was in shareholders' interests not to pursue this agreement at this time, but rather focus on capital raising and moving the City of Hope stem cell and T-cell programs forward and continue to pursue potential collaborations in the areas on infectious diseases and cancer.

Benitec chairman Peter Francis said the board intended "to reactivate the non-renounceable rights issue and hopes that shareholders will support their company with continued investment".

Benitec climbed 0.3 cents or 8.57 percent to 3.8 cents.

BIOPHARMICA

Biopharmica is looking for a partner to co-develop a new class of cancer anti-mitotic drugs for potential use against cancer.

Biopharmica said that with researchers from Western Australian Institute for Medical Research it had screened synthetic molecules and natural extracts for new anti-cancer drugs.

Biopharmica said the new anti-cancer drugs potentially inhibit cell proliferation, resulting in pronounced killing of all human cancer cell lines tested to date.

The company said the inhibition of cell proliferation and induction of cancer cell death was due to the anti-mitotic activity of these potential new drugs.

Anti-mitotic drugs, such as the blockbuster anti-cancer drug Taxol, are considered to be among the most clinically important cancer drugs discovered to date, generating revenue well in excess of \$US1 billion a year, the company said.

Biopharmica said that recent results with the anti-mitotic lead compound indicated "that development of this drug has the potential to similarly make a similar pronounced impact on cancer treatments and outcomes".

Biopharmica has contracted TM Ventures subsidiary the Australian Research network to represent its business development in Australia, Europe and the US.

Biopharmica said "an exceptional opportunity exists for a drug development company to participate in this lead compound development program".

Biopharmica was up 1.1 cents or 57.9 percent to three cents.

AUSBIOTECH

Ausbiotech says its monthly Bio-Beers continues in 2009 on Thursday March 19, 2009 at the organization's 'local', the Malvern Hotel.

Ausbiotech said Bio-Beers attracts chief executive officers, managers, researchers and students.

The Malvern Hotel is across the road from Ausbiotech's offices, at the corner of Glenferrie Road and Malvern Road, Malvern.

The event will be held from 6pm to 9pm.