



Biotech Daily

Tuesday October 13, 2009

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: AVEXA UP 19%; BENITEC DOWN 7%**
- * **CIRCADIAN PRODUCES ANTI-CANCER COMPOUND**
- * **INCITIVE DITCHES V-PATCH POTENTIAL ACQUISITION**
- * **UK APPROVES HALCYGEN ANTI-FUNGAL PK STUDY**
- * **CORRECTION: STARPHARMA**
- * **COUNTDOWN TO AUSBIOTECH'S 2009 CONFERENCE**
- * **CANADA LICENCES KARMELSONIX DIAGNOSTICS**

MARKET REPORT

The Australian stock market climbed 0.97 percent on Tuesday October 13, 2009 with the S&P ASX 200 up 45.9 points to 4785.7 points.

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

Avexa was best, up 2.5 cents or 19.2 percent to 15.5 cents with 5.9 million shares traded, followed by Tissue Therapies up one cent or 5.1 percent to 20.5 cents.

Living Cell and Starpharma climbed more than four percent; Nanosonics, Novogen, Progen and Resmed were up more than three percent; Antisense and Pharmaxis rose more than two percent; with Sirtex up 1.6 percent.

Benitec led the falls, down 0.4 cents or 7.1 percent to 5.2 cents with 184,000 shares traded, followed by Bionomics down 1.5 cents or 5.3 percent to 27 cents.

Circadian, Cytopia, Phylogica and Sunshine Heart fell four percent or more; Tyrian and Viralytics lost more than three percent; Mesoblast and Prana shed more than two percent; with Phosphagenics and Uscom down more than one percent.

CIRCADIAN

Circadian says its can produce the VGX-300 protein in cell culture to enable production at gram quantities, sufficient "to progress preclinical studies".

Describing the production as "a key manufacturing milestone in its VGX-300 cancer therapeutics program" Circadian said VGX-300 was a soluble form of the vascular endothelial growth factor receptor-3 (VEGFR-3 receptor) and was being developed as a novel anti-cancer drug.

The company said VGX-300 was designed to bind and neutralize two key mediators of tumor blood and lymphatic vessel development, proteins VEGF-C and VEGF-D, starving the tumor of oxygen and nutrients and preventing cancer spread through the blood and lymphatic system.

The chairman of Circadian's scientific advisory board, Prof Kari Alitalo, was expected to report the manufacturing program data at the Angiogenesis Foundation International Conference in Boston today.

Circadian chief executive officer Robert Klupacs said VGX-300 belonged to "a relatively new category of biological drugs and producing the protein at a sufficient yield was not a certainty at the inception of the program".

"Being able to produce VGX-300 in gram quantities is therefore a significant milestone in the program," Mr Klupacs said.

"Now that we have the protein in substantial supply, we will initiate critical efficacy studies in a range of animal models which will build on the previously published anti-cancer effects," Mr Klupacs said.

The company said Prof Alitalo discovered VEGFR-3 and demonstrated that it played a key role in the spread of tumor cells through the lymphatic system. Circadian owns the rights to Prof Alitalo's discoveries covering VEGFR-3 which originated at the University of Helsinki and the Ludwig Institute for Cancer Research.

Circadian fell three cents or four percent to 72 cents.

INCITIVE

Incitive executive chairman Mel Bridges says the company will not go ahead with the acquisition of V-Patch Medical Systems.

Mr Bridges said Incitive would "continue its focus on the development of human therapeutic applications for its compounds" for treating anti-inflammatory and dermatological diseases and potentially cancer.

Incitive's assets and its former lead compound ICV0019 are derived from bromelain, an extract from pineapple stems.

Mr Bridges said the company was "confident of the significant untapped potential to bring a range of valuable animal health products to market".

Last year Incitive reviewed its business "including the possibility of exiting the sector" (BD: Oct 17, 2008). At that time Mr Bridges said the company would extract "value for shareholders from the existing ... compounds we have in development, including the lead compound ICV0019, whilst also evaluating other business opportunities".

"The ICV0019 program has been very successful and demonstrated that it has the potential to be a significant drug in the treatment of anti-inflammatory and autoimmune diseases," Mr Bridges said last year.

In April the company licenced its animal health assets to Peptech Animal Health for commercialization (BD: Apr 3, 2009).

Incitive was unchanged at 0.7 cents.

[HALCYGEN PHARMACEUTICALS](#)

Halcygen says the UK Medicines and Healthcare Products Regulatory Agency has approved a pivotal pharmacokinetic study of SUBA-itraconazole.

Halcygen said the study was part of the EU registration program.

The company said the independent research ethics committee provided a favorable opinion on the study allowing Halcygen to proceed immediately with recruitment and dosing of volunteers.

Halcygen said SUBA-itraconazole was an improved generic formulation of the anti-fungal drug Sporanox or itraconazole.

The company said it would undertake a single pharmacokinetic study in the EU to demonstrate that SUBA-itraconazole performs in a similar manner against EU registered Sporanox as it does with US-derived Sporanox.

The company said study results were expected by the end of February 2010 and it would prepare its marketing authorization application during 2010.

Halcygen said that as a back up to this study, it was undertaking a US-based phase II study to compare the safety and efficacy of SUBA-itraconazole against the market leader. Halcygen was up one cent or 2.2 percent to 46 cents.

[AUSBIOTECH](#)

Ausbiotech's 2009 conference begins on Tuesday October 27, 2009 and expects more than 1,000 delegates at its investment and development sessions in Melbourne.

Ausbiotech said more than 1,300 delegates attended last year's conference resulting in 1,226 confirmed meetings through the business matching program.

The industry organization said this year's conference will be preceded by the inaugural Australasian Life Sciences Investment Summit, an invitation-only, one-day event to give 40 Australian companies access to global life science investors.

The Premier of Victoria John Brumby and the Federal Parliamentary Secretary for Trade Anthony Byrne are expected to formally open the Summit, which Ausbiotech said was "designed to support and stimulate investment in Australia's biotechnology research and development and has already secured the attendance of more than 90 local and international investors, representing 72 different companies".

Ausbiotech said the conference program includes sessions human health, medical technology, agriculture, industrial and food as well as investment and business.

Conference presentations include biopharmaceuticals; global regulatory challenges and opportunities; product development and regulatory aspects in the Asia-Pacific; and changing business models and new financial opportunities and health technologies.

Speakers include Commonwealth Scientific and Industrial Research Organisation chief executive Dr Megan Clark; Taiwan's Industrial Technology Research Institute president Dr Johnsee Lee; the chief executive officer of Burrill & Co's Malaysian Life Sciences Fund Dr Ganesh Kishore and the managing director of 5am Ventures Dr John Diekman.

The conference will be held at the Melbourne Convention and Exhibition, Clarendon Street, South Melbourne.

[CORRECTION: STARPHARMA](#)

Last night's edition correctly quoted Starpharma's closing price of 56.5 cents in the article on the company's annual general meeting but concluded with an incorrect price.

The mistake was made by the sub-editor who has ordered a new pair of glasses.

Starpharma was up 2.5 cents or 4.4 percent to 59 cents.

KARMELSONIX

Karmelsonix says Health Canada's Therapeutic Products Directorate has licenced its Personal Wheezometer and the Pulmotrack diagnostic device.

Karmelsonix said Health Canada was the Federal department responsible Canadian health.

The company said the two diagnostic systems could be sold for use by all healthcare professionals in Canada.

Karmelsonix fell 0.1 cents or 1.8 percent to 5.5 cents with 1.9 million shares traded.