Biotech Daily

Tuesday April 20, 2010

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: PRANA UP 57%; USCOM DOWN 7%**

*** YM CLAIMS PIVOTAL PRECLINICAL EFFICACY FOR (CYTOPIA'S) CYT387**

*** BIOTA SHELVES HEPATITIS C DRUG; 4 SALE AT A REASONABLE PRICE**

*** PRANA PLANS 'DEFINITIVE' PHASE IIb ALZHEIMER'S TRIAL THIS YEAR**

*** PROGEN'S PHARMASYNTH WINS HUNTER CONTRACT**

*** AUSBIOTECH CEO DR ANNA LAVELLE WINS ISRAEL STUDY TRIP**

*** US PATENT FOR KARMELSONIX SUBSIDIARY**

MARKET REPORT

The Australian stock market was up 0.22 percent on Tuesday April 20, 2010 with the S&P ASX 200 up 10.7 points to 4925.8 points.

Nineteen of the Biotech Daily Top 40 stocks were up, 11 fell, seven traded unchanged and three were untraded.

Prana was best, up eight cents or 57.1 percent to 22 cents with 14.2 million shares traded, followed by Genetic Technologies up 13.9 percent to 4.1 cents with 429,764 shares traded, Antisense up 11.1 percent to two cents and Phosphagenics up 10.3 percent to 15 cents with 1.4 million shares traded.

Heartware climbed 8.2 percent; Bone was up 7.1 percent; Cellmid, Living Cell and Mesoblast were up more than three percent; Cathrx, Chemgenex and Genera rose more than two percent; with Circadian, Cochlear, LBT, Pharmaxis and Starpharma up more than one percent.

Uscom led the falls, down four cents or 7.4 percent to 50 cents with 4,350 shares traded, followed by Biota down 5.9 percent to $2.06 with 785,501 shares traded.

Benitec fell 4.8 percent; Avexa and Psivida lost more than three percent; Tissue Therapies and Viralytics shed more than two percent; with Bionomics, Cellestis and Novogen down more than one percent.

YM BIOSCIENCES

YM Biosciences says preclinical data shows that CYT387 preclinical efficacy against mouse variants of the blood disorders known as myeloproliferative neoplasms.
CYT387 was acquired with Cytopia earlier this year (BD: Jan 28, Feb 1, 2010).
YM Biosciences said an article, entitled 'CYT387, a novel JAK2 inhibitor, induces haematologic responses and normalizes inflammatory cytokines in murine myeloproliferative neoplasms' was published in the journal Blood.
An abstract is available at: http://www.ncbi.nlm.nih.gov/pubmed/20385788.
YM said CYT387 was a highly selective and potent JAK1 and JAK2 inhibitor, in a phase I/II trial for myelofibrosis.
The company said the paper in Blood described a body of work showing the activity of the compound in in-vitro cell assays and an in-vivo model of the myeloproliferative neoplasms.
YM said the paper described work conducted in the Portland laboratory of Oregon Health Sciences University's Dr Michael Deininger, which showed that orally-administered CYT387 normalized the hallmark myeloproliferative neoplasms features of elevated blood cell counts, enlarged spleen size in a mouse model of the disease and blood cell production was shown to return to the bone marrow with drug treatment.
The company said CYT387 significantly reduced circulating levels of inflammatory cytokines such as IL-6 and TNF-a, which were common in patients with myeloproliferative neoplasms, as well as in auto-immune diseases such as rheumatoid arthritis.
YM said the data was consistent with data reported for INCB18424 (Incyte/Novartis), the other dual JAK1 and JAK2 inhibitor in clinical development.
YM said its own study demonstrated that CYT387 had similar potency against JAK1 and JAK2 enzymes as INCB18424 and that CYT387 had improved selectivity over JAK3 and TYK2 than INCB18424, which might result in a superior therapeutic window for CYT387.
YM's chief executive officer David Allan said the study by Dr Deininger and his team demonstrated that CYT387 had "an exceptional profile" for myeloproliferative neoplasms.
Toronto's YM is listed on the Nasdaq.

BIOTA

Biota says the complicated patent landscape around potential hepatitis C treatments is commercially unattractive and it will shelve or sell its hepatitis C nucleoside compound.
In a media release to the ASX Biota said Boehringer Ingelheim had concluded the 2006 collaboration and licence agreement for the development of nucleoside drugs for the treatment of hepatitis C (HCV) infections has concluded.
In 2006 Biota signed a hepatitis C research and licencing deal worth up to $US102 million with Germany's Boehringer Ingelheim (BD: Nov 27, 2006).
Today Biota said the parties worked jointly on the research program from late 2006 until November 2009, at which stage the program was transferred to Boehringer Ingelheim.
Biota said Boehringer Ingelheim "cited lack of progress on identifying a suitable pre-clinical candidate from the program as the key reason for the decision" and all rights reverted to Biota with the conclusion of the agreement.
Biota chief executive officer Peter Cook told Biotech Daily that in general the patents around hepatitis C were complicated "and we don't think the world is going to get a useful drug anytime soon".
"The patent landscape is highly unattractive with commercial implications," Mr Cook said.
He said Biota could not take the drug any further and the company "would sell it at a reasonable price".
Biota fell 13 cents or 5.9 percent to $2.06.

PRANA BIOTECHNOLOGY

Prana says it is finalizing plans to begin a definitive phase IIb trial of its lead Alzheimer's disease drug, PBT2, before the end of this year.

Prana said the double-blind, placebo-controlled trial would treat 525 patients with mild to moderate Alzheimer's disease over a period of 12 months, with the key performance measure being cognition, including an Alzheimer's disease assessment scale - cognitive subset (ADAS Cog) and executive function tests with a neuropsychological test battery.

Prana said the trial would test the efficacy of 250mg and 100mg doses of PBT2.

Prana chief executive officer Geoffrey Kempler said the company knew how patients benefited from a 250mg dose of PBT2 in 12 weeks, "so we are confident the benefit will be even stronger and more pronounced over a 12 month trial".

"This trial is all about cognition and helping patients," Mr Kempler said.

"Over recent years most drug companies have made late stage drug development decisions based on secondary biomarkers and imaging," Mr Kempler said.

"Certainly, many have seen amyloid signals, but not necessarily robust cognition outcomes," Mr Kempler said.

"PBT2 has shown both positive cognitive and biomarker changes, which is why we are so optimistic in the ability of PBT2 to really help sufferers of Alzheimer's disease," Mr Kempler said.

Prana said a mechanism of action position statement would be available on the Prana website next week.

The company said discussions with potential sources of finance for the trial, including investors and pharmaceutical partners, were progressing well.

Prana was up eight cents or 57.1 percent to 22 cents with 14.2 million shares traded.

PROGEN PHARMACEUTICALS, HUNTER IMMUNOLOGY

Progen says its wholly-owned subsidiary Pharmasynth will manufacture the active ingredient for Hunter Immunology's lead candidate HI-164OV.

Progen said a phase IIa trial of HI-164OV (oral vaccine) showed a significant reduction in the severity of acute bronchitis in moderate to severe chronic obstructive pulmonary disease patients, including a 90 percent reduction in hospitalization and a 60 percent reduction in the use of antibiotics.

Progen said Pharmasynth was a contract biopharmaceuticals manufacturing organization and the contract "further validates Pharmasynth as an important Australian-based contract manufacturer with expertise in recombinant proteins, bacterial and viral vaccines, whole cell therapeutics and small molecule synthesis".

Hunter Immunology managing director Dr Kevin Healey said the contract "continues our good relationship with Pharmasynth which successfully produced material for our phase IIa trial and will provide the active ingredient for our forthcoming phase IIb trial".

Progen said Pharmasynth would assist in the manufacture of its new clinical candidate PG545 for a phase I trial expected to start this year.

The company said Pharmasynth was expanding its small molecule synthesis capabilities with the purchase of a pilot-scale glass reactor train and the installation of a small fill and finish suite to manufacture sterile lyophilized vials.

Pharmasynth chief executive officer Les Tillack said the increase in small molecule synthesis capabilities allowed the company to pursue the early phase synthetic molecule market which was "an actively growing sector" of the industry.

Progen was unchanged at 54 cents.

Hunter Immunology is a public unlisted company.

AUSBIOTECH, YACHAD, NATIONAL AUSTRALIA BANK

Ausbiotech says chief executive officer Dr Anna Lavelle will travel to Israel in May for a 12-day study of its biotechnology industry.

Dr Lavelle was awarded a 2010 National Australia Bank, Australia-Israel Chamber of Commerce Yachad Scholarship.

Yachad is Hebrew for “together” or “unity”.

The Yachad website said the National Australia Bank Yachad Scholarship Fund was established in 2002 by the NAB “to afford talented Australian candidates the opportunity to pursue a given area of study in Israel”.

“The Fund is founded on the recognition that there are many shared strengths, values and common concerns between Australia and Israel,” the website said.

Ausbiotech said Dr Lavelle would study alternative methods for accessing capital and incentives for the growth of innovative companies.

Dr Lavelle said the trip was “a strategic opportunity for Australia to learn from the Israeli innovation success story”.

“This study tour will foster learning and future relationships that will have benefit for both countries and their respective biotechnology industries,” Dr Lavelle said.

Dr Lavelle will also study Israeli government biotechnology policy, including industry policy, capability building and innovation programs along with medical technology, including medical devices, accessing export markets, links to relevant institutions and manufacturing clusters.

Ausbiotech said Dr Lavelle would also visit Israel’s biopharmaceutical industry including manufacturers, small and medium sized enterprises and research and development, along with investment strategies for local biotechnology companies, including angel and venture capital investors and foreign direct investment.

KARMELSONIX

Karmelsonix says the US Patent and Trademark Office has allowed a patent entitled ‘Method and Apparatus for Determining Conditions of Biological Tissues’.

Karmelsonix said the patent was allowed to its wholly-owned subsidiary Pulmosonix.

The company said the patent claimed priority to April 2000 and was assigned to Pulmosonix by the inventors.

This patent covers non-invasive monitoring of the patency or openness of lung airways by using sound transmission.

Karmelsonix was unchanged at 3.1 cents with 1.4 million shares traded.