



Biotech Daily

Monday January 18, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: UNIVERSAL UP 4%; GENETIC TECH DOWN 13%**
- * **PHYLOGICA, ISOGENICA COLLABORATE ON INFLAMMATORY DISEASE**
- * **CYTOPIA HAS LEFT THE BUILDING**
- * **PHARMAUST'S \$2.7m PROPERTY SALE LEAVES IT DEBT-FREE**
- * **ALCHEMIA TELLS ASX: SHARES UP 15% PENDING FDA DECISION**

MARKET REPORT

The Australian stock market was up 0.2 percent on Monday January 18, 2010 with the S&P ASX 200 up 11.5 points to 4911.1 points.

Nine of the Biotech Daily Top 40 stocks were up, 17 fell, eight traded unchanged and six were untraded.

Universal Biosensors was best, up eight cents or 4.4 percent to \$1.88 with 103,205 shares traded, followed by Nanosonics up 3.15 percent to 65.5 cents.

Viralytics climbed 2.6 percent; Biota, QRX and Sirtex were up more than one percent; with Chemgenex, Mesoblast and Resmed up by less than one percent.

Genetic Technologies led the falls, down 0.6 cents or 12.8 percent to 4.1 cents with 50,000 shares traded, followed by Living Cell down 11.8 percent to 22.5 cents.

Benitec lost 9.1 percent; Cellmid fell 8.3 percent; Patrys and Prana were down more than three percent, Alchemia, Avexa, Cochlear, Genera, Pharmaxis and Starpharma shed more than two percent; with Acrux, Bionomics, Circadian and Phosphagenics down more than one percent.

PHYLOGICA

Phylogica and the Cambridge UK-based Isogenica will collaborate in the search of compounds targeting the CD40 ligand which is involved in inflammatory disease. Phylogica said the collaboration would use Isogenica's in-vitro library selection system or 'Cis display' technology to optimize the performance of three of Phylogica's lead compounds targeting the CD40 ligand (CD40L), which the company said was a "key protein involved in many inflammatory diseases".

Phylogica said that it had demonstrated lead peptide compounds that bind with high affinity and were biologically active against CD40L.

The company said Isogenica's Cis display technology allowed a comprehensive search process to optimize the exact chemical and three dimensional structure required to further enhance the properties of Phylogica's Phylomer peptides, improving drug properties such as affinity, stability and potency.

Phylogica's vice-president of corporate development Prof Paul Watt said the use of the Cis display would "accelerate the rapid entry of Phylogica drug candidates into preclinical development programs and increase their commercial value".

"Phylomers are sourced from the most structurally diverse peptide libraries in the world, which translates into exceptionally high bioactive hit rates, including primary hits with picomolar affinities for their targets," Prof Watt said.

Isogenica chief executive officer Kevin Matthews said his company services the protein engineering needs of the pharmaceutical and biotech industries and was "delighted to have the opportunity to work with Phylogica, combining technologies that have the potential to discover novel and potent therapeutic peptides".

Phylogica said the CD40 ligand had been validated in multiple models of inflammatory diseases including rheumatoid arthritis, irritable bowel disease, systemic lupus erythematosus and in reduction of transplant rejection.

The company said that the blockade of CD40L with antibodies had shown therapeutic benefit in humans although this was associated with adverse side effects, which were thought to be antibody-related and which peptides such as Phylomers were expected to avoid.

Phylogica said that large proteins such as antibodies were normally delivered by injection, while there were a number of approved peptide drugs that could be delivered by patient friendly routes such as intranasal inhalation.

Phylogica said Isogenica specialised in providing protein-engineering services using its core Cis display technology to pharmaceutical and biotechnology companies for the discovery, identification and design of new peptide, polypeptide and antibody lead compounds.

The company said that Cis display could construct within a few hours polypeptide libraries of unprecedented size and complexity in-vitro, without the need for cloning.

These can be processed to identify better products and motifs in just a few days, the company said.

Phylogica said that active peptides with antibody-like levels of affinity and specificity for target compounds could be isolated and then rapidly matured to optimize desirable qualities.

The company said that Cis display technology had particular benefits against biological membrane preparations, cells and bacteria.

Phylogica was unchanged at 12.5 cents.

CYTOPIA

Cytopia says its shares would be suspended from official quotation at the close of trading today, January 18, 2010.

Cytopia said it had lodged the Court order approving the scheme of arrangement for the takeover by YM Biosciences with the ASX and the Australian Securities and Investments Commission.

Cytopia closed down half a cent or 3.7 percent at 13 cents with 2.2 million shares traded.

PHARMAUST

Pharmaust says that settlement has been completed on the sale of the property located at 71 Division Street Welshpool for \$2,700,000.

Pharmaust said it had repaid the mortgage held against the property, resulting in the company "being completely debt free".

Pharmaust was untraded at four cents.

ALCHEMIA

Alchemia has told the ASX that expectations the US Food and Drug Administration would approve its generic fondaparinux may have led to share price increase.

The ASX said the company's share price rose from 70.5 cents on January 13, 2010 to 81 cents, a 14.9 percent increase, on January 15, 2010 but did not mention a change in trading volume.

Alchemia told the ASX that "the pending US Food and Drug Administration approval and subsequent launch of the company's lead product, generic fondaparinux, should result in strong cash-flows to Alchemia in the second half of calendar 2010".

The company said its operating loss for the year to June 30, 2010 might vary by more than 15 percent compared to the previous year, but said "this result is not likely to have a material impact on trading in the company's shares".

Alchemia fell two cents or 2.5 percent to 79 cents.