Biotech Daily

Wednesday November 10, 2010

Daily news on ASX-listed biotechnology companies

*** ASX DOWN, BIOTECH EVEN: PATRYS UP 20%; VIRAX DOWN 9%**

*** LIVING CELL NTCELL CUTS PARKINSON'S MOTOR ABNORMALITY 56%**

*** CELLMID CONFERENCE BROADENS MIDKINE KNOWLEDGE**

*** CIRCADIAN GRANTED US, EU, CANADA PATENTS**

*** PHOSPHAGENICS TRANSDERMAL TO BOOST ORAL VITAMIN D**

*** HELICON TO ACQUIRE LEADING EDGE MEDICAL DEVICES**

*** PATRYS TREATS FIRST THREE PAT-SM6 MELANOMA PATIENTS**

*** AVITA LAUNCHES RECELL WOUND TREATMENT AS COSMETIC IN UK**

*** SIGNIFICANT DISSENT AT CLINUVEL AGM**

*** PHARMAUST PLACEMENT RAISES $611k**

*** AUSTRALIAN ETHICAL SELLS 2m TISSUE THERAPIES SHARES**

*** PROBIOTEC PLEADS SCHULTZ TO ASX 12.5% PRICE FALL QUERY**

*** ASIC, CDPP CHARGE BIOTECH SOLUTIONS' SIMON FINNIGAN ON $2.7m**

MARKET REPORT

The Australian stock market fell 0.86 percent on Wednesday November 10, 2010 with the S&P ASX 200 down 40.9 points to 4699.8 points. Sixteen Biotech Daily Top 40 stocks were up, 17 fell, four traded unchanged and three were untraded.

Patrys was best, up two cents or 20 percent to 12 cents with 566,151 shares traded, followed by Bionomics up 14.55 percent to 31.5 cents with 251,946 shares traded and Antisense up 11.1 percent to one cent with 4.3 million shares traded. Starpharma and Sunshine Heart climbed more than seven percent; Living Cell was up 5.4 percent; Cellmid and Universal Biosensors were up more than three percent; Chemgenex rose 2.1 percent; with Circadian, Heartware, LBT and Pharmaxis up more than one percent.

Virax led the falls, down 0.3 cents or 9.1 percent to three cents with 250,000 shares traded. Psivida and Tissue Therapies lost more than seven percent; Immuron and Phylogica fell six percent or more; Optiscan and Nanosonics fell more than four percent; Compumedics, Impedimed and Prima were down more than three percent; Cellestis, Clinuvel and Viralytics shed more than two percent; with Acrux, Biota and QRX down more than percent.

LIVING CELL TECHNOLOGIES

Living Cell says it has had “outstanding functional and structural benefits” in rats from implants of its NTCell for Parkinson’s disease.

Living Cell said abnormal movements were quantitatively assessed after implantation of the NTCell neo-natal porcine choroid plexus epithelial cell clusters encapsulated in the company’s Immupel alginate-based micro-encapsulation system.

The company said the NTCell implants were placed in the affected part of the brain, the nigro-striatum, under stereotactic guidance.

Living Cell said that compared with similarly implanted empty capsules, disease-related movement abnormality was reduced by 56 percent over the four week treatment.

The company said terminal examination showed marked repopulation of the affected area of the brain with dopamine-containing cells and the depletion of these cells was responsible for the symptoms of Parkinson’s disease.

Living Cell the control group showed no significant functional or structural improvement.

The company said the “remarkable improvements in the test group provide strong preclinical data demonstrating the efficacy of NTCell as a potential therapeutic to treat Parkinson’s disease”.

Similar improvements were also reported from an ongoing study with a comparable non-human primate model in China, the company said.

The company said the studies would provide critical validation for potential human trials.

Living Cell medical director Prof Bob Elliott said the treatment strategy was “quite different from previous attempts by others at cell therapy which have been centred on implanting brain dopamine-producing cells”.

“NTCell offers those who suffer from neurodegenerative conditions a new hope and an alternative to the ongoing deterioration that is expected despite the best of conventional therapies,” Prof Elliott said.

“The implantation of the choroid plexus cells contained in NTCell results in either a relocation or regeneration of the patient’s own dopamine-producing cells,” he said.

“This occurs under the influence of hormone-like secretions coming from the implants,” Prof Elliott said.

He said such repair had been reported in modeling of other neurodegenerative diseases characterized by brain cell loss and the positive results “augur well for the development of an effective new treatment for this common and distressing disease”.

Living Cell was up one cent or 5.4 percent to 19.5 cents.

CELLMID

Cellmid said the meeting it hosted of key opinion leaders on midkine last week has furthered knowledge of applications for the molecule.

Cellmid chief executive officer Maria Halasz told Biotech Daily it was the first known meeting of its kind, closed to commercial interests and focused on a single molecule.

Ms Halasz said the conference was a closed conference for scientists sop that they could discuss publish and unpublished work.

In a media release Cellmid said it would produce a conference booklet ‘Excellence in Midkine Research - Conference Communiqué’ on published information only, which would be provided to participants and be made available on Cellmid’s website at a later date.

Other indications discussed included midkine’s role in cancer, neurological differentiation and development with implications in stem cell research, chronic obstructive pulmonary dysfunction, along with midkine’s role in morphine induced analgesia and drug addiction.

Cellmid was up 0.2 cents or 3.85 percent to 5.4 cents with 107.6 million shares traded.

CIRCADIAN TECHNOLOGIES

Circadian says it has been granted US, European and Canadian patents covering vascular endothelial growth factor (VEGF) inhibitor technology to treatment cancer.
Circadian said the patents granted exclusive rights to the use of any anti-VEGF-C, anti-VEGF-D or anti-VEGFR-3 antibody to treat cancer.
Circadian said the US Patent and Trademark Office granted its wholly-owned subsidiary Vegenics a patent entitled 'Therapy targeting FLT4 (VEGER-3) expressed in blood vessels' extending to September 2023 and covering the use of inhibitors which block the binding of VEGF-C or VEGF-D to VEGFR-3 for the treatment of cancer.
The company said inhibitors covered include any soluble forms of the VEGFR-3 receptor and any antibodies directed against VEGF-C, VEGF-D or VEGFR-3 which inhibit the binding of VEGF-C or VEGF-D to VEGFR-3.
Circadian said the corresponding patent applications in Europe and Canada, with claims analogous to those granted in the US, had been allowed.
The company said it expected the European application would be granted on November, 24, 2010, with the Canadian patent expected to be issued by July 2011.
Circadian said it already controlled worldwide rights to an extensive intellectual property portfolio covering the VEGF-C, VEGF-D and the VEGFR-3 receptor targets, with two granted Australian patents in this family.
The company said that the grant of the family of patents relating to anti-cancer uses provided "a strong commercial underpinning to Circadian's development of its proprietary VGX-100, VGX-200 and VGX-300 candidates as well as a major boost to Circadian's already significant intellectual property position in this area of research and development".
Circadian said VGX-100 was a fully-human VEGF-C antibody, VGX-200 was a humanized VEGF-D antibody and VGX-300 was a recombinant VEGFR-3 molecule which worked by trapping VEGF-C and VEGF-D in the circulation and were are all being developed as cancer therapies.
Circadian said licencee, Eli Lilly through subsidiary Imclone Systems, was developing an antibody to VEGFR-3 (IMC-035) for cancer, which was expected to begin trials in 2011.
Circadian was up one cent or 1.7 percent to 61 cents.

PHOSPHAGENICS

Phosphagenics says it is studying the potential increase of the oral bioavailability of vitamin D with its tocopheryl phosphate mixture or TPM transdermal technology.
In its November Newsletter published today, Phosphagenics said the prevalence of vitamin D deficiency was "the recent focus of nutritional boards worldwide".
Phosphagenics said vitamin D deficiency was associated with osteoporosis, impaired immunity, diabetes, high blood pressure, heart disease, liver disease and some cancers.
The company said a clinical trial using TPM was being conducted to examine the oral bioavailability of vitamin D.
Phosphagenics said volunteers would receive daily supplements of vitamin D alone or vitamin D with TPM over 28 days.
The company said the trial would be the foundation to develop a vitamin D supplement in combination with TPM, which offered enhanced oral absorption and efficacy of vitamin D.
Phosphagenics chief executive officer Dr Esra Ogru told Biotech Daily that many people had difficulty absorbing vitamin D and the company's encapsulated Vitamin D with phosphorylated vitamin E had been shown in mouse trials to improve the absorption of vitamin D.
Phosphagenics was up half a cent or 4.55 percent to 11.5 cents.

HELICON GROUP

Helicon says has a heads of agreement to acquire up to 100 percent of the issued capital of medical device developer Leading Edge Instruments.

Helicon said Leading Edge was an unlisted public company that controlled two, near-market technologies, Breatheassist and Vibrovein.

The company said Vibrovein technology was wholly owned by Leading Edge and Breatheassist was wholly owned by ASAP Breatheassist Pty Ltd, a company Leading Edge would acquire prior to the completion of the Helicon transaction.

Helicon said Breatheassist was a disposable soft polymer plastic device inserted into the nasal cavity to aid in the treatment of snoring and other breathing disorders.

Helicon said it had demonstrated applications in sports performance, as a medication delivery device for respiratory dilators or drugs such as nicotine and as a filtration device for hay fever or influenza minimization.

The company said Vibrovein was an electronic device that could be attached to any needle with applications including reduced pain, ease of puncture and ease of use and was targeting a multi billion dollar market. By imparting a high speed vibration it reduced the force necessary for injection, reducing pain and the vortex created resulted in more rapid perfusion and reduced tissue damage.

Helicon said it had the right to acquire 81 percent of the issued capital of Leading Edge for 248,000,000 Helicon shares.

Helicon said it would have call options for the remaining 19 percent exercisable at the Helicon's discretion until April 18, 2012, while Leading Edge would have two put options, pending licencing and marketing performance conditions and expiring 18 months after the completion of the sale and purchase agreement.

Under the agreement, Helicon would provide Leading Edge with a loan of $200,000 to further the development of its product during the transaction implementation period, repayable to Helicon if the transaction does not complete.

Helicon said the Leading Edge business strategy was based on a licencing model that removed direct manufacturing and marketing risk in exchange for a licencing fee.

The company expected to spend a further $1.2 million on the development of these technologies to bring them to a stage ready for licencing to a global pharma or medical device group.

Helicon said it had more than $2 million in cash reserves, sufficient for the merged group to reach licensing deals.

Helicon chairman Dr Saliba Sassine said the transaction "provides Helicon with the opportunity to generate significant revenue in two high potential market segments from Australian developed technologies".

Leading Edge scientific committee chairman and ASAP executive director Rod Tomlinson said Breatheassist and Vibrovein had "exciting potential".

"Whilst they each offer suitable global licencees an opportunity in billion dollar plus markets, the risk factor of each is an order of magnitude lower than marketing a new drug molecule or vaccine," Mr Tomlinson said.

Helicon said Mr Tomlinson was formerly chief chemist at Smith and Nephew Australia and subsequent to that built and owned Soltec Research Pty Ltd which developed, patented and licenced products for the treatment of microbial infections, psoriasis, fungal infections, alopecia, acne, and a low chemical aerosol delivery system.

Following conclusion of the transaction and approvals by the shareholders of Helicon and Leading Edge, Mr Tomlinson would be responsible for the completion of the technologies' development and preparing them for out licensing to major pharmaceutical companies.

Helicon was up 0.4 cents or 13.3 percent to 3.4 cents with 4.2 million shares traded.

PATRYS

Patrys says it has completed the treatment of the first group of three patients in a melanoma clinical trial for lead product PAT-SM6.
Patrys said PAT-SM6 was a natural human antibody that has shown promise as a potential treatment for multiple types of cancer including melanoma.
The company said it was the first reported clinical product to target a protein on the surface of cancer cells called GRP78 that played key roles in cancer cell survival, growth and metastases.
The first group of three patients was screened at the Royal Adelaide Hospital Cancer Centre and treated at the Hospital's Pain and Anaesthesia Research Clinic.
To date, no safety issues have been observed or reported for any patients treated with PAT-SM6.
Patrys said it would treat up to 10 patients over 10 months and was "well within its anticipated timeline for completing the trial".
The company said three different dose levels would be evaluated.
Patrys said the results were expected to be finalized and reported by June 2011.
Patrys was up two cents or 20 percent to 12 cents.

AVITA MEDICAL

Avita launched its Recell spray-on skin product in the UK aesthetics market at a meeting of the British Association of Cosmetic Doctors in October 2010.
Avita said the head of London's Harley Street Skin Clinic Dr Aamer Khann delivered a 30 minute invited presentation on results of his experience with Recell.
The company said Dr Khan reported interim results from his ongoing study on the treatment of acne scars using Recell, in which 10 patients with severe acne scarring and who have been previously treated with laser procedures, the current preferred treatment method, with unsatisfactory outcomes were treated with Recell "with very positive results to date".
Avita said that in the US, about 580,000 people sought surgical treatment for the remodeling of existing scars each year and 600,000 obtained surgical treatment from cosmetic surgeons for skin discoloration, acne scarring and other skin defects.
The company said a substantial percentage of these patients could benefit from Recell.
Avita was up one cent or 10 percent to 11 cents.

CLINUVEL PHARMACEUTICALS

Clinuvel shareholders approved all annual general meeting resolutions with significant dissent on all resolutions.
The greatest division was on the issue of 'performance rights' to chief executive officer Dr Philippe Wolgen with 11,279,367 proxy votes (25.9%) against and 32,287,967 proxy votes (74.1%) in favor.
There was a similar level of opposition to the issue of performance rights to Dr Helmer Agersborg.
The share consolidation "to reduce share price volatility" was passed by 36,034,192 proxy votes to 7,515,948 proxy votes, with the remuneration report and the re-election of director Brenda Shanahan, passed by greater majorities.
Clinuvel fell half a cent or 2.8 percent to 17.5 cents.

PHARMAUST

Pharmaust says the placement of 38,206,303 shares at 1.6 cents a share has raised $611,300.
Pharmaust fell 0.3 cents or 12 percent to 2.2 cents with 3.4 million shares traded.

TISSUE THERAPIES

Australian Ethical's Smaller Companies trust has reduced its substantial holding in Tissue Therapies from 9,615,403 shares (6.96%) to 7,671,073 shares (5.55%).
Tissue Therapies fell four cents or 7.1 percent at 52 cents.

PROBIOTEC

Probiotec says it is not aware of any information that has not been announced which, if known, could be an explanation for recent trading in its securities.
The ASX said the company's share price fell 11 cents or 12.5 percent from 88 cents on November 3, 2010 to 77 cents on November 9, 2010 and noted an increase in trading volumes.
Probiotec was unchanged at 75.5 cents.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

The Australian Securities and Investments Commission says former company director, Simon Finnigan, 48, has been charged with 14 counts of dishonest conduct.
An ASIC media release said the charges related to investor funds worth more than $2.7 million following an ASIC investigation.
ASIC said Mr Finnigan appeared at Sydney's Downing Centre Local Court yesterday and alleged he dishonestly raised money from nine investors through three companies under his control between January 2003 and July 2006.
ASIC alleged that Mr Finnigan raised funds from investors through Financial Partners Pty Ltd, Venture Capital Management Pty Ltd and Biotech Solutions Pty Ltd after advising them that he would invest their money in shares, options, managed funds and property for returns of between eight and 15 percent.
An ASIC spokeswoman told Biotech Daily that it was believed that no money was invested in biotechnology companies.
The ASIC media release said Mr Finnigan deposited the money into bank accounts he controlled and used the funds for the three companies and his own personal use.
ASIC alleged that each investor lost between $120,000 and $500,000.
ASIC said all three companies were under external administration.
ASIC said Mr Finnigan faced a maximum penalty of five years' imprisonment, a $220,000 fine, or both, in relation to each charge.
ASIC said Mr Finnigan was granted bail subject to conditions including that he surrender his passports to ASIC.
ASIC said the Commonwealth Director of Public Prosecutions was prosecuting the matter, which would return to court on December 14, 2010.