



Biotech Daily

Wednesday October 13, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP:
- GENETIC TECHNOLOGIES UP 15%; COMPUMEDICS DOWN 11%**
- * **PHOSPHAGENICS OXYCODONE PATCH READY FOR PHASE II/III TRIAL**
- * **IMUGENE SIGNS PIG, POULTRY VACCINE DEAL WITH NOVARTIS**
- * **US, AUSTRALIA, NZ PATENTS FOR ANTISENSE ATL1102, ATL1103**
- * **AVEXA AGM VOTES ON DIRECTORS**
- * **RESONANCE AGM VOTES ON \$10k SHARES FOR M-D LIZA DUNNE**
- * **MEDIGARD AGM TO MORE THAN DOUBLE TOTAL DIRECTORS' PAY**
- * **PROF NADIA ROSENTHAL TO DELIVER AUSBIOTECH'S MILLIS ORATION**

MARKET REPORT

The Australian stock market was flat on Wednesday October 13, 2010 with the S&P ASX 200 up 1.7 points to 4619.9 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 11 fell, 12 traded unchanged and four were untraded. All three Big Caps were up.

Genetic Technologies was best, up 0.4 cents or 15.4 percent to three cents with 524,314 shares traded, followed by Phosphagenics up 11.1 percent to 10 cents with 2.9 million shares traded.

Psivida climbed 9.7 percent; Patrys was up 7.1 percent; Cathrx and Tissue Therapies were up more than five percent; Mesoblast was up 4.1 percent; Bionomics rose 3.85 percent; Alchemia and Sirtex were up one percent or more; with Cochlear, CSL, Heartware, Pharmaxis, QRX and Resmed up by less than one percent.

Compumedics led the falls, down 1.5 cents or 10.7 percent to 12.5 cents with 23,500 shares traded. Chemgenex, Living Cell and Prana lost more than three percent; Benitec, Cellestis, Clinuvel and Nanosonics shed more than two percent; with Biota down one percent.

PHOSPHAGENICS

Phosphagenics says a 40-patient study shows its transdermal patch delivers therapeutic amounts of oxycodone into the blood, albeit insufficient for very severe pain.

Phosphagenics said the phase I study showed that a daily application of the tocopheryl phosphate mixture or TPM technology oxycodone patch delivered the drug into the blood, while an extended dosing period of 14 days enabled 'blood steady state' to occur.

The company said 'steady state' was when drug concentrations in the blood remained constant over time and was a vital end-point for any sustained therapy.

In June, Phosphagenics said the trial was designed to establish the optimal duration that the TPM-oxycodone patch should be left on a patient, as well as the optimal dose of oxycodone required in a patch to provide pain relief (BD: Jun 30, 2010).

The company said at that time that the trial would determine which patch dose and application method would be best suited for commercial development.

Phosphagenics' research and development vice-president Dr Paul Gavin said in June the TPM-oxycodone patch system appeared to be very suitable for chronic pain management.

Dr Gavin said at that time that if the company could reduce the oxycodone dose or increase the patch duration, "this would offer significant regulatory advantages and commercial outcomes".

Today, Phosphagenics said the study, led by the Royal Adelaide Hospital's Prof Guy Ludbrook, was designed to measure the amounts of oxycodone entering the bloodstream following various dosing regimes of the TPM-oxycodone patch.

Phosphagenics chief executive officer Dr Esra Ogru, said the pivotal trial provided all necessary dosing and patch information required to proceed to a phase II/III program.

"[The] TPM-oxycodone patch reproduced therapeutic plasma levels and reached steady state when applied daily," Dr Ogru said.

Phosphagenics said the study also determined the effectiveness of a weekly TPM-oxycodone patch, which provided constant levels of oxycodone for more than seven days, producing blood levels suitable for less severe pain indications, such as moderate back pain or post-hepatic neuralgia.

Dr Ogru said these surprising product opportunities were now being actively explored commercially in conjunction with international pain experts.

"While we did not reach the therapeutic levels required to manage very severe pain, we are confident we can achieve this in the scale-up of the weekly patch technology."

Dr Gavin told Biotech Daily that although the weekly patch did not reach therapeutic levels for very severe pain, it had "a very nice linear delivery profile" and the daily patch did perform as expected for moderate to severe pain.

"This now paves the way for the company to move to next phase of development which will involve commercial up-scaling of the patch," Dr Ogru said.

Phosphagenics said it was "in advanced discussions with a leading patch manufacturer for the commercial scale-up of the finished patch product".

To date, all patch development has been carried out in-house.

The company said manufacturing and development was scheduled for early 2011 and phase II/III trials would start after patch completion.

"We are committed to fast tracking this important technology, which has the potential to change the lives of people who suffer chronic pain," Dr Ogru said.

"We believe that initiating the commercial development of the TPM-oxycodone and using this product for the remaining phase II/III program provides the fastest route to registration and market," Dr Ogru said.

Phosphagenics was up one cent or 11.1 percent to 10 cents with 2.9 million shares traded.

IMUGENE

Imugene says it has licenced “exclusive global rights to all of [its] technologies and intellectual properties, including its vaccines and productivity enhancers” to Novartis Animal Health.

Imugene said the specific terms of the agreement would not be disclosed, but Novartis would pay the costs of developing products and Imugene would receive an initial payment as well as milestone payments and royalties on product sales.

Imugene chief executive officer Dr Warwick Lamb the Novartis deal was “a very good outcome for Imugene and its shareholders and lays the foundation for a fruitful, long term partnership”.

Imugene said it was developing a range of biologically based vaccines for pigs and poultry, which are safer and easier to use than chemical based products.

Imugene was unchanged at 8.5 cents with 1.95 million shares traded.

ANTISENSE THERAPEUTICS

Antisense says the US Patent and Trademark Office has granted a patent for ATL1103 with an extended period of patent protection to 2025.

The patent is entitled ‘Modulation of growth hormone receptor expression and insulin-like growth factor expression’ and Antisense said that a corresponding Australian patent had been allowed and was expected to be granted later this year.

The company said the patents provided strong commercial underpinning for the development of ATL1103 as a potential treatment for growth and sight disorders.

Antisense said an Australian patent entitled ‘Antisense modulation of integrin alpha4 expression’ had been granted for inhaled ATL1102 for asthma with a corresponding New Zealand patent allowed and expected to be granted later this year, both of which provide protection on the inhaled use of ATL1102 until 2025.

Antisense was unchanged at 1.4 cents.

AVEXA

Avexa’s annual general meeting will revisit last month’s vote on the existing board, but this time without potential replacements (BD: Sep 28, 2010).

The Avexa meeting will vote on the election or reelection of chairman Joe Baini and directors Steven Crowley, Bruce Hewett, Iain Kirkwood and Jet Soedirdja.

No other business was listed in the notice of meeting.

In September the existing board resisted a spill by Calzada in which the board won each of the votes by a factor of about two to one.

Calzada owns 16.06 percent of Avexa and has requested board representation, but has been rebuffed by the existing board.

At the September extraordinary general meeting, the closest vote was more than 180.9 million votes (36.1%) in support of the Calzada proposed directors with 320.8 million votes (63.9%) supporting the existing board.

The meeting will be held at the Computershare Conference Centre, 452 Johnston Street, Abbotsford, Victoria, on November 18, 2010 at 10am (AEDT).

Avexa was up 0.1 cents or 3.2 percent to 3.2 cents.

RESONANCE HEALTH

The Resonance annual general meeting will vote to issue \$10,000 in shares to managing director Liza Dunne.

Resonance said the shares would be issued at no cost and calculated on the 20-day volume weighted average price prior to the date of issue.

The meeting will also vote on the reelection of director Dr Martin Blake.

The meeting will be held at the University of Western Australia Boat Shed, Car Park 23, Hackett Drive, Crawley Western Australia, on November 17, 2010 at 10am (AWST).

Resonance was unchanged at 1.6 cents with 1.4 million shares traded.

MEDIGARD

Medigard's annual general meeting will vote to increase the maximum aggregate directors' fees from \$120,000 to \$250,000.

The meeting will also vote on the reelection of director Dr Peter Clark.

The meeting will be held at the Southport Yacht Club, Macarthur Parade, Main beach, Queensland at 6pm (AEST).

Medigard was untraded at 5.7 cents.

AUSBIOTECH

Ausbiotech says the founding director of Monash University's Australian Regenerative Medicine Institute Prof Nadia Rosenthal will deliver this year's Millis Oration.

The CSL-sponsored Millis Oration is named in honor of the University of Melbourne molecular biologist Prof Nancy Millis and is scheduled for October 21, the last day of Ausbiotech's annual conference.

Ausbiotech said Prof Rosenthal's research focused on developmental genetics of heart and skeletal muscle, the molecular biology of ageing and the role of growth factors and stem cells in tissue regeneration.

Ausbiotech said that over the last decade Prof Rosenthal's research concentrated on molecular mechanisms of mammalian development, ageing and regeneration.

Prof Rosenthal's longstanding interest in the biology of insulin-like growth factors and downstream effectors has led to the development of novel therapeutic approaches to the attenuation of muscle atrophy in ageing, treatment of muscular dystrophies and heart disease, Ausbiotech said.

Prof Rosenthal has been head of the European Molecular Biology Laboratory mouse biology unit in Rome since 2001.

Ausbiotech said Prof Rosenthal has served on numerous international grant review committees, advisory panels and editorial boards and coordinates several major European Union consortia on mouse genetics and disease models.

She holds a professorship of cardiovascular science and co-directs the Harefield Heart Science Centre with Sir Magdi Yacoub.

Ausbiotech said the Millis Oration was one of the most popular plenary speaker sessions at the annual conference and would include introductory remarks from CSL director of research and development and chief scientific officer Dr Andrew Cuthbertson.

For further information go to: www.ausbiotech2010.com.au.