



Biotech Daily

Thursday October 28, 2010

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: PATRYS UP 18%; GENETIC TECHNO DOWN 10%**
- * **GENETIC TECHNOLOGIES: 'PAPER BACKS BREAST CANCER BREVAGEN'**
- * **AUSTRALIAN PATENT FOR VIRALYTICS CANCER VIRUS**
- * **SMALL DISSENT AT SUNSHINE HEART EGM**
- * **ANTISENSE HAS LESS THAN TWO QUARTERS CASH; CAPITAL RAISING**
- * **CORRECTION: AGENIX**
- * **EASTLAND VOTES TO UP DIRECTORS' PAY POOL 167%; PRIOR ISSUE**
- * **SUN DIRECTOR PETER KING RESIGNS**
- * **FERMISCAN APPOINTS JOHN RAINBOW AS COMPANY SECRETARY**
- * **STIRLING APPOINTS MICHAEL KEAN CFO**

MARKET REPORT

The Australian stock market recovered 0.79 percent on Thursday October 28, 2010 with the S&P ASX 200 up 36.8 points to 4684.9 points. Eleven of the Biotech Daily Top 40 were up, 13 fell, eight traded unchanged and eight were untraded. All three Big Caps were up.

Patrys was best, up 1.4 cents or 17.95 percent to 9.2 cents with 138,900 shares traded, followed by Tissue Therapies up 8.4 percent to 45 cents with 954,141 shares traded.

Phylogica climbed six percent; Chemgenex was up 5.9 percent; Biota and Sirtex were up more than four percent; Pharmaxis and Viralytics were up more than three percent; QRX and Starpharma rose more than two percent; with Acrux up 1.75 percent and Cochlear, CSL and Resmed up by less than one percent.

Genetic Technologies led the falls, down 0.3 cents or 10.3 percent to 2.6 cents with 56,845 shares traded, followed by Sunshine Heart down 10 percent to 2.7 cents with 25,000 shares traded.

Clinuvel lost five percent; Cellmid and Novogen fell four percent or more; Benitec, Immuron, Living Cell and Psivida were down more than three percent; Cellestis shed 2.8 percent; with Mesoblast down 1.6 percent.

GENETIC TECHNOLOGIES

Genetic Technologies says a journal article has validated its Brevagen breast cancer test as substantially improving risk assessment among a target population.

The article entitled 'Assessment of Clinical Validity of a Breast Cancer Risk Model Combining Genetic and Clinical Information' was published in the Journal of the National Cancer Institute earlier this month and an abstract is available at:

<http://jnci.oxfordjournals.org/content/early/2010/10/18/jnci.djq388.abstract>.

The article concludes that "Combining validated common genetic risk factors with clinical risk factors resulted in modest improvement in classification of breast cancer risks in white non-Hispanic postmenopausal women."

"Classification performance was further improved by focusing on women at intermediate risk," the article concluded.

Genetic Technologies said the study assessed breast cancer risk for a 3,327 patient-cohort from the US Women's Health Initiative clinical trial, with each patient's clinical history (the Gail model) examined in combination with Brevagen's panel of seven breast cancer-associated genetic variations to compute an overall five year and lifetime risk. The Gail model is named after its creator Dr Mitchell H Gail author of 'Projecting individualized probabilities of developing breast cancer for white females who are being examined annually' (J Natl Cancer Inst. 1989; 81(24):1879-1886).

Genetic Technologies said the genetic variations, known as single nucleotide polymorphisms (SNPs), had been identified through a series of large, international, whole genome association studies, which involved about 50,000 women.

The company said the combined SNP risk estimates were multiplied by the Gail model clinical risk estimates.

Genetic Technologies said the Gail model was used extensively as a breast cancer assessment tool and was developed from data from the Breast Cancer Detection Demonstration Project, a joint National Cancer Institute and American Cancer Society breast cancer screening study that involved 280,000 women aged between 35 to 74 years and from National Cancer Institute's surveillance, epidemiology and end results program. The company said the combination of the Brevagen test and Gail model score in the population of Caucasian post-menopausal women gave a statistically significant improvement in classification performance compared with the use of the Gail risk scoring alone ($p < .001$).

Genetic Technologies said further analysis demonstrated that overall risk assessment could be substantially improved by adding the Brevagen test to those patients who have been previously classified at intermediate risk by Gail scoring.

The lead author of the article was Dr David Hinds who was employed by the developers of the Brevagen test Perlegen Sciences at the time of the research.

"The major finding from this study is the demonstration that genetic risk information may be combined multiplicatively with Gail risk scores to improve breast cancer risk estimation in postmenopausal white women," Dr Hinds said.

"Thus, the present study demonstrates that the combined risk estimation model approach has clinical validity in the broad sense in postmenopausal, white women," Dr Hinds said.

The article said further studies are planned in other patient populations.

Genetic Technologies chief executive officer Dr Paul MacLeman said that enhancing the assessment of breast cancer risk by combining genetic and clinical information could allow patients and doctors to make more informed decisions regarding primary prevention and/or screening strategies and the Brevagen test was expected to be launched in the US during the first quarter of 2011 following registration of its laboratories.

Genetic Technologies fell 0.3 cents or 10.3 percent to 2.6 cents.

VIRALYTICS

Viralytics says it has been granted an Australian patent covering the generation of modified oncolytic viruses.

Viralytics said its lead oncolytic virus candidate, Cavatak, required a receptor intercellular adhesion molecule-1 (ICAM-1) to be present on the surface of cancerous cells to enable binding and subsequent infection of the cell.

The company said the granted patent entitled 'Modified oncolytic viruses' covered the generation of Coxsackieviruses capable of infecting cancerous cells in the absence of surface ICAM-1 and an extraneous receptor-modifying agent.

Viralytics said the granted patent included claims to pharmaceutical compositions of the bio-selected Coxsackieviruses and provided exclusive rights through to January 2025.

Viralytics chief scientist officer and co-inventor of the technology Prof Darren Shafren said the granting of the patent broadened Viralytics oncolytic virus intellectual property portfolio.

"[It] also offers the potential use of novel oncolytic viruses with alternate cancer cell targeting strategies to those of Cavatak, which is currently under clinical evaluation in patients with late stage melanoma, breast, prostate and head and neck cancer," Prof Shafren said.

Viralytics said it had a granted patent for modified oncolytic viruses from South Africa. Viralytics was up 0.1 cents or three percent to 3.4 cents with 1.2 million shares traded.

SUNSHINE HEART

All resolutions at Sunshine Heart's extraordinary general meeting to reorganize its capital and ratify a placement were passed, but there was significant dissent over the placement. The resolution to ratify the placement of 392,857,142 shares, 196,428,571 options and 39,285,714 Nasdaq options to clients of Summer Street Research Partners and RBS Morgans was passed by 364,680,935 proxy votes (94.8%) in favor with 20,072,893 proxy votes (5.2%) against.

Resolutions authorizing Sunshine Heart to issue up to two billion shares, approving a share plan and approving the issue of 20,000,000 options to chief executive officer David Rosa were passed overwhelmingly.

Sunshine Heart fell 0.3 cents or 10 percent to 2.7 cents.

ANTISENSE THERAPEUTICS

Antisense said its net operating cash burn for the three months to September 30, 2010 was \$708,000 with cash at the end of the quarter of \$1,018,000.

Yesterday, Antisense requested a trading halt for a capital raising announcement. Antisense last traded at 1.4 cents.

AGENIX

In last night's edition John Tong was described as a director of Agenix. Mr Tong is the company's Shanghai general manager.

The sub-editor has been admonished.

Agenix was unchanged at 2.2 cents.

[EASTLAND MEDICAL SYSTEMS](#)

Eastland shareholders will vote to increase the aggregate non-executive directors' remuneration from \$75,000 to \$200,000.

Eastland will also vote on the prior placement of 56,925,000 shares at four cents a share, the election of chief executive officer Stephen Carter as a director and the re-election of chairman Peter Jooste.

The meeting will be held at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia, on November 25, 2010 at 10am (AWST).

Eastland fell 0.2 cents or 3.3 percent to 5.8 cents with 2.8 million shares traded.

[SUN BIOMEDICAL](#)

Sun Biomedical says Peter King has resigned as a non-executive director.

Sun is involved in a deed of company arrangement with OMI, formerly known as Occupational and Medical Innovations.

Sun was untraded at 0.1 cents.

[FERMISCAN](#)

Fermiscan has appointed John Rainbow as company secretary.

Fermiscan said Mr Rainbow was formerly Resmed's senior corporate counsel.

Fermiscan was untraded at three cents.

[STIRLING PRODUCTS](#)

Stirling has appointed Michael Kean as its chief financial officer, effective from today.

Stirling said Mr Kean holds a Bachelor of Business Degree from the University of Technology in Sydney and a Graduate Certificate of Risk Management from Monash University.

Stirling said Mr Kean was formerly a tutor at the University of Technology in Sydney and worked for nine-years at Orix Australia Corp.

Stirling was unchanged at 0.9 cents with 1.5 million shares traded.