



Biotech Daily

Tuesday September 16, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS DOWN: ALCHEMIA UP 10%, CATHRX DOWN 19%**
- * **AGENIX SUES LEGGETTS FOR \$3.9m**
- * **BIODIEM IMMUNE RESPONSE DATA BACKS LAIV FOR 'FLU**
- * **BIONOMICS SAYS BNC105 SHOWS SIGNS OF ANTI-TUMOR ACTIVITY**
- * **TEVA TO PRESENT ANTISENSE MS DATA AT WORLD CONGRESS**
- * **TISSUE THERAPIES RAISES \$1.1m**
- * **COCHLEAR AGM VOTES ON CEO'S \$530k OPTIONS, REELECT DIRECTORS**
- * **PHARMAXIS AGM VOTES ON 400,000 DIRECTORS' OPTIONS**
- * **SENATOR CARR SAYS COMET REVIEW 'SUCCESSFUL'**
- * **ADVANCED OCULAR CONSIDERS ITS POSITION**
- * **UNI OF WA APPEAL HAS IMPLICATIONS FOR SIRTEX**

MARKET REPORT

The Australian stock market fell 1.5 percent on Tuesday September 16, 2008 with the All Ordinaries down 75.2 points to 4,799.8 points. Seven of the Biotech Daily Top 40 stocks were up, 19 fell, eight traded unchanged and six were untraded.

Alchemia was best up 2.5 cents or 9.8 percent to 28 cents with 179,824 shares traded, followed by Progen up four cents or 6.35 percent to 67 cents. Ventracor climbed 5.41 percent; Antisense was up 4.84 percent; Cochlear, Peplin and Resmed rose more than two percent; with Neuren and Viralytics up more than one percent.

Cathrx led the falls, down 14 cents or 18.92 percent to 60 cents, followed by Novogen down 13.85 percent to \$1.12 and Genetic Technologies down 12 percent to 6.6 cents.

Avexa and Universal Biosensors fell more than 11 percent; Impedimed lost 10 percent; Acrux was down 7.65 percent; Cellestis and Starpharma fell more than six percent; Mesoblast and Prana were down five percent or more; Biota, Pharmaxis and Phosphagenics fell four percent or more; Sirtex lost 3.77 percent; with Clinuvel, Labtech and Stem Cell down two percent or more.

AGENIX

Agenix has told the ASX that proceedings against former chief executive officer Neil Leggett and Julie Leggett relate to "improper transactions of \$3.865 million".

Agenix said Mr Leggett was company secretary, chief financial officer and chief executive officer from May 2003 to May 2008 and the alleged "improper transactions" occurred during 2006, 2007 and 2008 (see Biotech Daily; September 15, 2008).

Agenix is in a voluntary suspension and last traded at 1.7 cents.

BIODIEM

Biodiem says Russian trial data shows its live attenuated influenza vaccine "significantly stimulated the main factors of immunity".

The data was presented in posters and oral presentations at the Third European Influenza Conference in Vilamoura, Portugal September 14-17, 2008 and was based on studies evaluating immune response and factors associated with live attenuated influenza vaccine (LAIV) immunity at the Institute of Experimental Medicine in St Petersburg, Russia.

The head of virology at the Institute of Experimental Medicine and Biodiem director Prof Larisa Rudenko and members of her team presented the data showing the key outcome "was that LAIV significantly stimulated the main factors of immunity such as anti-hemagglutination, local (secretory) antibodies and cell immunity", Biodiem said.

"At present, the main objective for influenza researchers is to validate the factors and parameters of immune response which will allow us to register new vaccines without epidemiological trials," said Prof Rudenko.

"These requirements have arisen due to the emergence of highly pathogenic influenza viruses such as avian influenza," Prof Rudenko said.

"Whilst these viruses are not circulating among the human population, the efficacy of vaccines against these new viruses cannot be estimated in traditional epidemiological or challenge trials," she said.

Biodiem said the presentations included evidence that virus specific sIgA (a measure of local immunity) geometric mean titers (GMT) were 32.8% and 79.4% before and after vaccination in nasal secretions of treated volunteers, whereas the placebo group had no increase in sIgA GMT.

Biodiem said there was a significant increase in sIgA avidity (measure of antibodies functional activity) 2.5 to 8.0 times after immunization with LAIV, whereas the placebo group displayed no higher avidity.

Vaccination with LAIV delivered sufficient immunogenicity as observed by a significant increase in serum geometric mean titers, Biodiem said. Virus specific memory and effector T-cells increased and remained in vaccinated persons on day 21 after viral clearance in contrast to the placebo group

Biodiem managing director Dr Andrew O'Brien said the results were "a clear step forward in demonstrating the advantages of a live attenuated vaccine when preventing influenza through vaccination".

Biodiem said it had licenced the majority of the LAIV rights to Nobilon, a subsidiary company of Schering Plough.

The company said the vaccine was progressing to clinical development for European registration.

Biodiem said it retained the right to licence out the sales and marketing rights to North America. Japanese rights will be equally shared with Nobilon.

Biodiem was untraded at 12 cents.

BIONOMICS

Bionomics chief executive officer Dr Deborah Rathjen says BNC105 has shown "preliminary signals of activity" against tumors, with no significant adverse events. Dr Rathjen told Biotech Daily that the preliminary signals of activity in the dose escalation trial of BNC105 for lung, thyroid and ovarian cancer tumors were measured by magnetic resonance imaging (MRI) and computed axial tomography (CT) scans.

Dr Rathjen said that about half of the proposed 35 patients in the first-in-human trial had been dosed and so far there were "no dose limiting toxicities" and "no significant side effects".

Dr Rathjen said Bionomics was hoping to see a biological effect of BNC105 and determine a dose starting point for a phase II clinical trial.

Separately, Bionomics has published a statement on BNC105 to the ASX.

Bionomics was unchanged at 32.5 cents.

ANTISENSE

Antisense says its partner on its multiple sclerosis ATL/TV1102 Teva Pharmaceutical Industries will present data at the World Congress for Multiple Sclerosis.

The congress to be held in Montreal on September 20, 2008 will be told that ATL/TV1102 was a second-generation VLA-4 inhibitor "which has recently published positive results from a phase IIa study in [relapsing-remitting multiple sclerosis] patients".

Teva said ATL1102 was an oligonucleotide targeting VLA-4 mRNA and "significantly reduces new active lesions in patients with relapsing-remitting multiple sclerosis".

Antisense climbed 0.3 cents or 4.84 percent to 6.5 cents.

TISSUE THERAPIES

Tissue Therapies says its share purchase plan closed oversubscribed, raising \$743,076.

Tissue Therapies said that after scaling-back applications, 9,288,450 shares were issued and allotted at eight cents a share.

The company said it had ensured that all qualifying applicants received a minimum allotment of shares with partial-refund cheques to be dispatched later this week.

"Given the strong demand" under the share plan, Tissue Therapies said a further 4,625,000 shares were issued under a placement to institutional and sophisticated investors, also at eight cents a share to raise \$370,000 before costs.

The company said the funds were for the Vitrogro clinical trials for venous and diabetic ulcers, continuing product development and the company's intellectual property portfolio.

The second patient in Tissue Therapies' clinical trial is expected to be treated this week.

Tissue Therapies fell 0.5 cents or 5.88 percent to eight cents.

COCHLEAR

Cochlear shareholders will vote on the grant to chief executive officer Dr Chris Roberts of 101,412 options worth \$529,373.

Cochlear said the options would be granted to Dr Roberts for no charge but had an exercise price of \$49.91.

The meeting will also vote on the reelection of directors Tommie Bergman and Paul Bell.

The meeting will be held at the Four Points by Sheraton, 161 Sussex Street, Sydney on October 21, 2008 at 10am.

Cochlear climbed \$1.48 or 2.62 percent to \$58.00.

PHARMAXIS

Pharmaxis shareholders will vote on the grant of 200,000 options each to chief executive officer Dr Alan Robertson and director William Delaat.

Pharmaxis said the options would be granted to Dr Robertson and Mr Delaat for no charge but at an exercise price of \$1.817 and \$1.599 respectively.

The meeting will also vote on the reelection of directors Denis Hanley and William Delaat. The AGM will be at the Sofitel Wentworth, 61 Phillip St, Sydney on October 23, 2008 at 2:30pm.

Pharmaxis fell 10 cents or 4.35 percent to \$2.20.

COMMERCIALIZING EMERGING TECHNOLOGIES (COMET)

The Minister for Innovation, Industry, Science and Research, Senator Kim Carr says the Commercializing Emerging Technologies (Comet) program has been successful.

A media release from Senator Carr said that in 2007 the Department of Innovation, Industry, Science and Research commissioned ACIL Tasman to review the appropriateness, efficiency and effectiveness of the program.

The media release described ACIL Tasman as an independent consultancy.

It said Comet was "a competitive, merit based program that supports early-growth stage and spin-off companies to successfully commercialize their innovations by awarding grants of up to \$120,000 (exclusive of GST) in two stages".

"The Comet program is an example of government and industry working in partnership to boost Australia's innovation capacity and performance," Senator Carr said.

"The evaluation makes it clear that the Comet program has proved to be very successful in facilitating the commercialization of innovative products services and processes," Senator Carr said.

The Government said the program had assisted 1,500 companies and raised more than \$510 million in private capital since being established in 1999.

The media release said last week's Review of the National Innovation System (see Biotech Daily; September 9, 2008), recommended that the Comet program be expanded and continued for another five years.

The recommendation will be considered by the Government as part of its Innovation White Paper, Senator Carr's media release said.

ADVANCED OCULAR SYSTEMS

Advanced Ocular has told the ASX that it is considering a range of options including the cost of remaining a listed company.

Advanced Ocular said sales of the Lenstec Tetraflex product declined with half year royalties of \$US115,000 with the expectation of a similar second half.

The Omnifocal intra-ocular lens was the only ophthalmic development asset owned by the company and following a scoping study the board said that in-house development of the project "carries far too much risk for the limited capital resources available".

The company said it had a \$1.8 million investment in the Westfield residential property development near Perth and had \$2.1 million cash at September 16, 2008.

The company said it was pursuing opportunities to acquire or participate in profitable assets to grow shareholder value; continuing to assess the performance and outlook of licensed assets with a view to monetizing those assets as possible; and continuing to focus on cost reductions, including the costs of being listed.

Advanced Ocular was untraded at 0.4 cents.

SIRTEX

Sirtex says an appeal by the University of Western Australia against a court judgment has implications for his company.

Sirtex said that on April 17, 2008 Justice Robert French dismissed the claims by the University of Western Australia against Sirtex and founder Dr Bruce Gray and found in Sirtex's favor on its cross claim against Dr Gray and ordered Dr Gray to pay damages to Sirtex (see Biotech Daily; April 18, 2008).

The University of Western Australia has appealed the judgment dismissing the claim against the University by Dr Gray, but the University and Dr Gray have not appealed the judgment in favor of Sirtex, the company said.

Sirtex said its claim for damages against Dr Gray was yet to be assessed by the court and the company said it was entitled to recover a substantial part of its costs from the University and was seeking to recover the remainder of its outstanding costs from Dr Gray.

The appeal proceedings have been listed for a hearing on November 10, 2008.

Sirtex said that while the University had abandoned its claims against Sirtex by not appealing the judgment in Sirtex's favor, the appeal proceedings raised issues which may affect Sirtex.

"In those circumstances, Sirtex has informed the parties to the appeal proceedings that it intends to make an application to intervene in those proceedings so that it can make submissions to ensure its position is protected," Sirtex said.

"Dr Gray has informed Sirtex that he will support Sirtex's application," the company said.

Sirtex said it had told Dr Gray that it intended to claim its legal costs and expenses associated with the appeal proceedings from him, if the court grants leave to intervene.

Sirtex fell nine cents or 3.77 percent to \$2.30.