



Biotech Daily

Friday June 6, 2008

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECHS UP:
TISSUE THERAPIES, STEM CELL UP 17%, NEUREN DOWN 7%**
- * **BENITEC RNAi MARKERS DETECTED IN HIV PATIENTS' BLOOD**
- * **EGM BACKS CLINICAL CELL NAME CHANGE, SHARE CONSOLIDATION**
- * **PSIVIDA EGM VOTES FOR MOVE TO US, INCENTIVE PLAN**
- * **PHARMAUST EGM TO DIVEST COMMONWEALTH BIOTECHNOLOGIES**
- * **FMR, FIDELITY SELL 1% OF COCHLEAR**

MARKET REPORT

The Australian stock market closed up 1.0 percent on Friday June 6, 2008 with the All Ordinaries up 57.4 points to 5,691.2 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 14 fell, eight were unchanged and two were untraded.

Stem Cell Sciences and Tissue Therapies were best, up 16.67 percent to 35 cents and 14 cents respectively on small volumes, followed by Cytopia up 12 percent to 28 cents and Starpharma up 10 percent to 33 cents.

Avexa climbed 8.7 percent; Phylogica was up 6.02 percent; Alchemia, Genetic Technologies, Mesoblast and Sirtex were up more than five percent; Pharmaxis and Psivida climbed more than four percent; Benitec was up 3.53 percent; Bionomics, Biota and Chemgenex rose more than two percent; with CSL up 1.51 percent.

Neuren led the falls, down 0.7 cents or 7.22 percent to nine cents, followed by Prana and Universal Biosensors both down 5.88 percent to 40 cents and 80 cents, respectively.

Antisense and Progen fell more than four percent; Circadian and Polartech were down more than three percent; Peplin shed 2.44 percent; with Agenix, Living Cell and Sunshine Heart down more than one percent.

[BENITEC](#)

Benitec says that following treatment with its RNAi technology two HIV patients have had gene markers of the therapy detected in blood.

The therapy is a “construct” of anti-HIV RNAi developed by Benitec and California’s City of Hope and carried on a Lentivirus vectors.

The chair of virology at the City of Hope’s Beckman Research Institute Dr John Zaia presented the early trial data on two patients last weekend in an update on the human pilot HIV lymphoma stem cell study at the meeting of the American Society of Gene Therapy in Boston.

The talk entitled ‘Gene Therapy Approaches for Treatment of HIV/AIDS: Current Status’ discussed the study being undertaken at the City of Hope using of Benitec’s technology as a clinical method to fight HIV-AIDS infection.

Benitec said patients with AIDS-related lymphoma were being treated using vector expressed RNAi aimed at rendering the cells resistant to the HIV-1 virus infection.

The “pilot study of safety and feasibility of stem cell therapy for AIDS lymphoma using stem cells treated with a Lentivirus vector encoding multiple anti-HIV RNAs” began in 2007 (see Biotech Daily; June 13, 2007).

Benitec said recruitment had been more difficult than expected and all five patients should be recruited by the end of 2008 with results by the end of 2009.

Dr Zaia presented 60-day data available on the first two patients in the current study.

Benitec says the early data shows “patients are doing well after transplant and pleasingly the gene markers are detectable in these patients”.

Safe engraftment was seen at 10 days, Benitec said.

The company said that if the early data could be confirmed, then treatment with gene therapy early after HIV infection may be justified and if such treatment delayed the need for antiviral chemotherapy, gene transfer would likely become an important strategy for treatment of HIV infection.

Benitec climbed 0.3 cents or 3.53 percent to 8.8 cents.

[CLINICAL CELL CULTURE](#)

Clinical Cell Culture’s shareholders have supported the name change to Avita, a 10-for-one consolidation and options for chief financial officer and director Andrew Cannon.

Mr Cannon’s options were opposed by 14,459,652 proxy votes and supported by 117,011,540 proxy votes.

The name change and consolidation votes were passed by greater margins.

Trading in the consolidated shares is expected to begin on a deferred settlement basis on June 10, 2008 with normal trading on June 24.

The name change requires approval from the Australian Securities and Investments Commission and is expected later this month.

Clinical Cell fell 0.1 cents or 6.67 percent to 1.4 cents.

[PSIVIDA](#)

Psivida shareholders have voted for the company’s reincorporation in the US and the adoption of a new “employee incentive plan”.

A total of 162,921,068 proxy votes supported the move to the US with 6,993,147 proxy votes against. The incentive plan had 157,428,182 proxy votes in favor with 8,045,247 proxy votes against.

Psivida was up half a cent or 4.55 percent to 11.5 cents.

PHARMAUST

Pharmaust shareholders will vote on a resolution to approve the sale of Commonwealth Biotechnologies at an extraordinary general meeting next month.

The single resolutions is to sell all the shares in the company, which was described as “unlikely to contribute any further benefit to shareholders”.

Pharmaust said that cooperation would have been required to make the unregistered shares in Commonwealth Biotechnologies registered and more liquid.

“However, given the significant influence that our total investment represented, and the dislocation that arose between the two boards arising from the resignation of Paul D’Sylva as managing director of the company, it became apparent that this cooperation had become problematic,” Pharmaust said.

“This left the company with the prospect of a time-consuming and expensive process to achieve a position where its stake in CBI might be expected to be realized in the ordinary course of events,” Pharmaust said.

The company said it had negotiated a sale of the holding and needed shareholder approval to proceed.

The meeting will be held at Clifton’s, Mezzanine, Australia Place, Cnr William St and St George Terrace, Perth on July 11, 2008 at 2pm.

Pharmaust was unchanged at 2.2 cents.

COCHLEAR

The US based FMR Corp and Fidelity Investments reduced its substantial shareholder in Cochlear from 6,127,571 shares (11.02%) to 5,553,327 (9.98%) on June 4, 2007.

FMR and Fidelity has been increasing its holding in both Cochlear and CSL.

This is the first reduction since the US investment group became substantial on January 10, 2007.

Cochlear fell 31 cents or 0.61 percent to \$50.50.