



Biotech Daily

Thursday April 28, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX EVEN, BIOTECH UP: GENETIC TECH UP 55%; ANTISENSE DOWN 8%**
- * **GENETIC TECH UP 119% ON US BREAST CANCER TEST APPROVAL**
- * **\$18m FOR AUSTRALIA-CHINA RESEARCH**
- * **US LYMPHEDEMA GROUP BACKS IMPEDIMED TESTING**
- * **GSK PAYS BIOTA \$1m RELENZA ROYALTY**
- * **CEPHALON TAKES 43% OF CHEMGENEX, WITH 62% GUARANTEED**
- * **JM FINANCIAL CEASES SUBSTANTIAL IN GENERA**

MARKET REPORT

The Australian stock market was virtually unchanged on Thursday April 28, 2011 with the S&P ASX 200 up 0.1 points to 4873.0 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 14 fell, eight traded unchanged and two were untraded. All three Big Caps were down.

Genetic Technologies was best, up 5.5 cents or 55 percent to 15.5 cents with 10.7 million shares traded, followed by Viralytics up 0.3 cents or 6.1 percent to 5.2 cents with 32.5 million shares traded.

Impedimed climbed 6.1 percent; Circadian and LBT were up five percent or more; Virax was up 3.85 percent; Phylogica and Prana rose more than two percent; with Heartware, Mesoblast, Sirtex, Starpharma and Uscom up more than one percent.

Antisense led the falls, down 0.1 cents or 7.7 percent to 1.2 cents with 46.9 million shares traded, followed by Patrys down 6.7 percent to 14 cents with 531,559 shares traded.

Prima lost 5.3 percent; Benitec, Bionomics, Compumedics and Psivida fell four percent or more; Cellmid, Clinuvel and Phosphagenics were down more than three percent; Bioinche shed 2.3 percent; with Biota, CSL and Resmed down one percent or more.

GENETIC TECHNOLOGIES

Genetic Technologies climbed 119 percent on the Nasdaq overnight with 25 percent of its share register traded on news of final US approval for its Brevagen breast cancer test. Genetic Technologies chief executive officer Dr Paul MacLeman told Biotech Daily that the company peaked at \$US6.25 (up 119.2 percent) before closing up 72.25 percent at \$US5.46 with 2,878,375 American depository receipts traded.

Dr MacLeman said each ADR was equal to 30 Australian shares implying that equivalent to 25 percent of the issued capital had been traded.

In a media release Genetic Technologies said that the US Centers for Medicare and Medicaid had certified its Australian laboratory under the US Clinical Laboratories Improvements Amendments, which was “the culmination of preparations required for the US launch of the Brevagen breast cancer test”.

Dr MacLeman told Biotech Daily that the approval was the last step in the process to make Brevagen available in the US and was effectively the green light for 42 US states. Dr MacLeman said several others states including California, New York, Maryland and Florida had individual approval regimes, which the company was pursuing.

He said the test was expected to be rolled out in “the coming weeks” and was targeting a \$500 million diagnostic market.

In a media release Genetic Technologies said the Brevagen test informed clinicians about their patients’ individual, non-familial, sporadic risk of breast cancer, thereby fulfilling an unmet need by better classifying women at moderate risk of breast cancer who would potentially benefit from preventive therapy or more intensive monitoring.

The company said the test combined breast cancer risk from clinically validated genetic markers, with factors from a clinical assessment based on a patient's family and personal history (Gail Score) to give a clearer picture of an individual woman's risk of developing breast cancer.

Genetic Technologies said Brevagen was the first test of its kind to give women a cost-effective personal assessment of their individual risk of breast cancer and fitted the recommendations of the American Cancer Society and American Society of Clinical Oncologists to determine the five year and lifetime risk of getting breast cancer.

“Brevagen is the first in a series of products in [Genetic Technologies’] anticipated expansion of its oncology and cancer management test portfolio and the company is all set for commercial roll out,” Dr MacLeman said. “The test will help many women by better determining their individual breast cancer risk and it will help health professionals better determine optimum treatment decisions.”

Genetic Technologies said the US certification would enable its Australian laboratory to offer compliant high-complexity medical testing services to US patients through its wholly-owned US subsidiary Phenogen Sciences (BD: Oct 26, 2010).

The company said certification meant it could add further cancer management products in development to its test menu without need for further regulatory applications.

Genetic Technologies said the regulatory scheme established under the US Clinical Laboratories Improvements Amendments (CLIA) required laboratories to operate under extensive quality systems which included validation and proficiency testing and it was the first Australian laboratory to gain such approval.

Genetic Technologies said its Australian laboratory was already NATA, RCPA and ISO accredited or compliant and was certified to service patients in all its target markets.

The company said Brevagen would be made available to European and Pacific rim markets following further regulatory and market development programs.

Genetic Technologies was up 5.5 cents or 55 percent to 15.5 cents with 10.7 million shares traded.

AUSTRALIA-CHINA SCIENCE AND RESEARCH FUND

The Australian and Chinese governments will each commit \$9 million over three years to an Australia-China Science and Research Fund from 2011-12.

In a media release Science Minister Senator Kim Carr said the Science Ministers of Australia and the People's Republic of China "reaffirmed both countries' commitment to continue to expand collaboration on strategic science and research initiatives of mutual interest".

The media release said the fund would build on 30 years of cooperation on science and technology between Australia and China.

The Australian Government said China was the "third most important partner for Australian researchers and Australia is China's sixth highest partner as reflected in scientific publications".

The media release said the collaborations contributed to discoveries in medical research, disaster management, biodiversity, water conservation, food security, wireless communications, alloys for manufacturing and clean energy.

The Government said that scientific cooperation created new opportunities for Australian researchers and firms to work in China.

A Department of Innovation, Industry, Science and Research media officer said the two Governments would "work together in the coming months to agree on the arrangements for the new fund which will commence in 2011-'12 [and] ... further information about the fund will be made publicly available once these arrangements are agreed".

IMPEDIMED

Impedimed says the US National Lymphedema Network has backed prospective care for breast cancer patients, including the pre-treatment baseline measurement of arms.

Impedimed said that a position paper entitled 'Screening and Measurements for Early Detection of Breast Cancer Related Lymphedema' was written by the National Lymphedema Network's medical advisory committee and the posting of medical guidelines was a "key milestone" for the company.

The company said the position paper specifically referred to surgeons and oncologists to adopt a prospective care model for breast cancer patients, working closely with therapists. To obtain an objective measure, "pre-treatment baseline measurement of arms is essential, as this serves as the baseline data to which subsequent measurements can be compared," Impedimed quoted the paper saying.

"Regular measurements following treatment are indicated for the remainder of the patient's life. Surgeons and medical oncologists who treat breast cancer and follow breast cancer patients/survivors should conduct these measurements at every patient visit," the company said.

"Such measurements should also be conducted in cases where primary care physicians or advanced practice nurses provide follow up care in lieu of the treating surgeons or oncologists," Impedimed quoted the paper saying. "The urgency in writing this paper for breast cancer related lymphoedema is due to evidence indicating that early detection of latent breast cancer related lymphoedema offers an opportunity to identify and treat lymphedema more successfully at an earlier stage."

Impedimed said the National Accreditation Program for Breast Centers had adopted the guidelines for early detection of breast cancer related lymphoedema and said the guidelines should assist in building coverage by health insurance companies for the testing of breast cancer patients.

Impedimed was up four cents or 6.1 percent to 70 cents.

BIOTA

Biota expects to receive a royalty payment of \$1.0 million from Glaxosmithkline for \$14.1 million sales of Relenza in the three months to March 31, 2011.

The payment compares to a royalty of \$1.2 million for \$17.9 million sales of Relenza in the three months to December 31, 2010, \$2.1 million for \$29.6 million in sales for the three months to September 30, 2010, a payment of \$900,000 for \$12.8 million sales in the three months to June 30, 2010 and the record royalty payment of \$32.6 million from Glaxosmithkline for \$462 million sales of Relenza in the three months to December 31, 2009.

Biota fell two cents or 1.65 percent to \$1.195.

CHEMGENEX

Cephalon has filed a substantial shareholder notice saying its Chemgenex holding has increased from 86,386,425 shares (27.57%) to 133,438,850 shares (42.58%).

The US-based bidder for all of Chemgenex's shares has commitments from major shareholders for 62.61 percent of the company (BD: Apr 31, 2011).

The necessary paperwork for shareholders to commit their shares was posted shortly before the Easter holiday break.

Chemgenex fell half a cent or 0.75 percent to 66 cents.

GENERA BIOSYSTEMS

JM Financial Group has ceased its substantial holding in Genera with the sale of 336,250 shares.

In its previous substantial shareholder notice JM reduced its holding from 4,339,492 shares (6.92%) to 4,014,967 (5.76%) (BD Apr 15, 2011).

Genera was untraded at 25 cents.