



Biotech Daily

Tuesday April 3, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PHYLOGICA UP 12%, CELLMID DOWN 12%**
- * **CALZADA, POLYNOVO BEGIN BTM FULL THICKNESS WOUND TRIAL**
- * **MEDICAL AUSTRALIA ROLLS-OUT FAT STEM CELLS FOR UK PETS**
- * **PROBIOMICS + HUNTER IMMUNOLOGY = BIOXYNE; TO RELIST**
- * **ELLIOTT TAKES 10% OF REVA**
- * **ROSS MACDONALD, STEWART WASHER, DONAL O'DWYER JOIN ISONEA**

MARKET REPORT

The Australian stock market edged up 0.18 percent on Tuesday April 3, 2012 with the S&P ASX 200 up 7.7 points to 4,337.0 points.

Seven of the Biotech Daily Top 40 stocks were up, 17 fell, 11 traded unchanged and five were untraded.

Phylogica was the best, up 0.6 cents or 12.2 percent to 5.5 cents with 2.4 million shares traded, followed by Tissue Therapies up 10.2 percent to 48.5 cents, with 372,496 shares traded.

Alchemia climbed 4.9 percent; Optiscan was up 3.3 percent; Anteo and Cochlear rose more than one percent; with Biota, Heartware and Resmed up by less than one percent.

Cellmid led the falls, down 0.2 cents or 11.8 percent to 1.5 cents, with four million shares traded, followed by Avita down 10.4 percent to 21.5 cents with 1.05 million shares traded.

Benitec and Genera lost five percent or more; Prima and Viralytics fell four percent or more; Prana and Psivida were down more than three percent; Mesoblast, Nanosonics, Phosphagenics and Reva shed more than two percent; Clinuvel and Pharmaxis were down more than one percent; with Acrux, CSL, Starpharma and Universal Biosensors down by less than one percent.

CALZADA, POLYNOVO

Calzada says wholly owned subsidiary Polynovo is recruiting 10 patients for the first human clinical trial of its biodegradable temporizing matrix for full thickness wounds. Polynovo chief executive officer Laurent Fossaert told Biotech Daily that the trial aimed to repair free-flap donor sites, from where the full thickness skin tissue has been taken to be used at other sites.

Mr Fossaert said the free-flap surgery repair is a good model for burns repairs.

Mr Fossaert said that Polynovo began a 20-patient trial began in February using a Novoskin dressing for negative pressure therapy for pressure sores (BD: Feb 6, 2012).

In its media release today Calzada said the biodegradable temporizing matrix (BTM) product was being developed and manufactured by Novoskin, a joint venture between Polynovo and Royal Adelaide Hospital adult burns unit director Prof John Greenwood. The company said the trial followed pre-clinical studies where biodegradable temporizing matrix was shown to have "excellent biocompatibility and efficacy in large surgically created wounds".

Calzada said that the single centre trial had been approved by the Royal Adelaide Hospital's human research ethics committee, patient testing was expected to start by the end of April 2012, with key results expected by the end of 2012.

The company said the trial was primarily designed to assess the safety and efficacy of the Novosorb BTM when used in full thickness wound repair and the data generated during the trial could assist in further optimizing the matrix.

Calzada said that the trial was "a significant milestone in the Novosorb technology development leading to its potential application in a wide range of implantable medical treatments and procedures requiring degradable tissue repair scaffolds".

The company said the trial was budgeted to cost less than \$50,000 and would be funded from existing cash reserves.

Prof Greenwood said that chronic wounds and deep burn injuries began with the removal of devitalised and contaminated tissue and the graft was applied to a healthy, surgically-created wound.

Prof Greenwood said the free-flap donor site study "gives us the opportunity to assess the BTM in such a wound, but in a smaller, more controlled environment than a major, deep burn injury in patients who are physiologically fitter than their burn-injured counterparts". "As such, the free-flap donor site is an excellent model of full-thickness skin loss and one in which I expect the BTM will generate a thick, robust, cosmetically and functionally better result than the current treatment of skin grafting alone," Prof Greenwood said.

Calzada said the matrix would be implanted to physiologically close the donor site and after 14 days, the surgeon aimed to be in position to finally close the wound by applying a skin graft on the new dermal tissue created within the matrix.

The company said that patients would then return home, having wound quality, measurement and graft quality assessed periodically.

Calzada said that the primary outcome was the appearance of the donor site compared to historical data, assessed by clinical appearance, ease of delamination of the sealing membrane in historical comparison to Integra dermal regeneration template, Visitrak wound measurement to assess degree of contraction.

Calzada said that measurement would be weekly to six weeks, then monthly to 12 months.

The company said that a secondary outcome was function of the donor site compared to historical data assessed by clinical means such as pinching, shearing mobility, visibility or otherwise of deeper structures.

Calzada was up 0.1 cents or 1.8 percent to 5.6 cents.

MEDICAL AUSTRALIA

Medical Australia says it will begin the roll-out of a regenerative animal stem cell therapy in the UK and Ireland next week,

Medical Australia chief executive officer Mark Donnison told Biotech Daily that his company's fat tissue stem cell therapy for animals had a "far higher stem cell yield than existing technologies through the use of photo-stimulation".

Mr Donnison said the company believed it had the first system for cryogenic freezing of stem cells for domestic pets, small animals and the equine market in Europe.

Mr Donnison said the roll-out of the stem cell therapy would begin in London on April 11, 2012 for a dog with renal failure.

Mr Donnison said his company's primary focus was on technologies for human health. In a media release Medical Australia said the technology would be available under the trademark Tutavet.

The company said that it had the rights to the stem cell therapy technology through a licencing agreement with the Australian-owned Medivet, which "pioneered the development of stem cell technology for small animals and the equine market".

Medical Australia

The company said that as well as being the distributor of the technology in Britain and Ireland, it was also an original equipment manufacturer of Medivet's hardware products and consumables and had invested \$500,000 to establish its animal stem cell technology, with a clinic in Hampshire, England, where it could cryogenically freeze animal stem cells. Medical Australia said that pet owners, zoos and the equine market spent "considerable sums of money treating animals with degenerative diseases such as osteoarthritis, hip dysplasia, and ligament and cartilage injuries".

The company said that using the Tutavet technology and kit, veterinary surgeons would be able to offer surgery, harvesting and administering of stem cells in-house in a three to four hour period.

Medical Australia said that stem cells were harvested from the animal's own fat tissue and administered to accelerate the healing of muscles and joints damaged by injury, disease or degeneration.

Mr Donnison said the technology was "a major growth driver" for his company.

"It puts us in a leading position in the veterinary market in the UK and Ireland, as we are pioneering a unique technology that has immediate and significant commercial upside," Mr Donnison said.

"Pet owners and the equine market in particular spend thousands of dollars each year on regenerative treatments for pets and animals," Mr Donnison said.

"Our technology offers much better outcomes for animal healthcare and is competitively priced," Mr Donnison said.

"With more than 5,000 veterinary clinics in the United Kingdom and Ireland alone, we have a large and deep market to penetrate," he said.

"For [Medical Australia] this represents a major strategic development for the company as it moves us into an area of the animal healthcare industry where we are offering a more cutting edge technology with higher margins, repeat business and future cross-selling opportunities," Mr Donnison said.

"We expect to sell our first kits in the coming months and we will update shareholders in the immediate term on our progress in this market, as well as on other areas of the ... business which we are actively building," Mr Donnison said.

Medical Australia was up 0.4 cents or 26.7 percent to 1.9 cents with 1.7 million shares traded.

BIOXYNE (FORMERLY PROBIOMICS, HUNTER IMMUNOLOGY)

Bioxyne says the formal name change from Probiomics to Bioxyne has occurred, following the completion of the merger with Hunter Immunology (BD: Mar 23, 28, 2012).

Bioxyne said that the Australian Securities and Investments Commission recorded the change of name on March 30, 2012.

The ASX said that the suspension on Probiomics would be lifted from the opening of trading tomorrow, April 4, 2012.

Bioxyne said that for the purposes of the ASX, the change of name and ASX code from PCC to BXN would be effected on April 10, 2012, after the Easter break.

Probiomics last traded at one cent.

REVA MEDICAL

Reva says that Elliott Associates has increased its substantial shareholding from 2,005,631 US shares or 6.1 percent to 3,227,031 US shares or 9.8 percent.

Reva fell two cents or 2.9 percent to 68 cents.

ISONEA (FORMERLY KARMELSONIX)

Isona has appointed Dr Ross Macdonald and Dr Stewart Washer as directors replacing Paul Hopper and Fabio Pannuti, with Donal O'Dwyer as a special advisor.

Isona said that Dr Macdonald had extensive local and international biomedical experience in general management, technology commercialization, capital raising and business development, including licencing, mergers and acquisitions.

The company said that Dr Macdonald was formerly the chief executive officer of Living Cell Technologies and was a member the venture fund Uniseed Management's investment committee and was a director of Telesso Technologies and Hatchtech.

Isona said Dr Macdonald was previously an executive at Sinclair Pharmaceuticals, Stiefel Laboratories, Connetics Corp and FH Faulding.

The company said that Dr Washer had 15 years of senior executive and board experience at medical device, drug development and agriculture companies and was a venture partner with Inventages, a Nestlé fund and was investment manager with IB Managers.

The company said that Dr Washer was previously the chief executive officer Calzada, Phylogica, Celentis and managed the commercialization of intellectual property from Agresearch in New Zealand, was formerly the chairman of Resonance Health and Hatchtech and a director of Iceutica and Ausbiotech and was currently a director of Healthlinx and Immuron.

Isona said that Mr O'Dwyer had extensive sales, marketing, product development and manufacturing operations experience in healthcare and medical device industries.

The company said that Mr O'Dwyer was formerly the president of Johnson & Johnson's Cordis Cardiology and was currently deputy chairman of Mesoblast, was a director of Cochlear, was previously Baxter Healthcare's head of cardiovascular, chairman of Atcor Medical and a director of Angioblast and Sunshine Heart.

Isona was unchanged at 0.4 cents with 2.9 million shares traded.