

Ferret's Stock to Watch: BIOPHARMICA LIMITED

09:04, Thursday, 2 February 2006

BIOTECH STOCK WITH IMPRESSIVE RESULTS FROM TRIALS
Sydney - Thursday - February 2: (RWE Aust Business News)

OVERVIEW

BioPharmica (BPH) has reported an outstanding successful trial relating to lung disease, surpassing all goals and objectives. This is just one small part of the company's business strategy to commercialise breakthrough biomedical research developed in universities, medical institutes and hospitals.

The company is currently working to commercialise groundbreaking research into infectious diseases and cancer. BioPharmica yesterday announced its lung disease genechip trial was highly successful. The new lung disease test is being developed in conjunction with diagnostic array systems at RMIT University. An international pathology company participated in a blind study to determine the accuracy of the test. The study involved about 500 clinical sputum samples from patients with suspected lung disease.

Key outcomes

- DNA from the clinical samples was isolated in batch, high throughput conditions with 100pc efficiency. PCR amplification from these DNA samples was obtained for 92pc of the clinical samples tested.
- The genechip was able to test for all 23 species of bacteria simultaneously.
- The genechip performed in a quantitative, specific and robust manner.
- Discussions have commenced with third-party providers in terms of supply, manufacture and licensing.
- The company is seeking to further validate the test through trials in hospital pathology settings.

BioPharmica has a portfolio approach to business strategy and is developing a number of biomedical products with a range of different markets and applications.

The company is currently working to develop products that detect and treat breast, colorectal and prostate cancers.

BioPharmica is also developing products that identify which bacteria is causing an infectious disease. The company will continue to assess further world leading biomedical research and form alliances and relationships with scientists and researchers in universities, institutes, hospitals and industry.

BioPharmica receives value through entering licensing, profit share and trade sale agreements or initial public offerings on an appropriate stock exchange.

SHARE PRICE MOVEMENTS

Shares of BioPharmica yesterday rose 6.5c to 26c. Rolling high has been 45c and low 6c. The company has 31.2 million shares on issue showing a market cap of \$6.08 million.

In another encouraging development for BioPharmica, the company announced in January that researchers from the Western Australian Institute for Medical Research (WAIMR) have discovered a link between the HLS5 gene and key aspects of Huntington's disease and AIDS development.

HLS5 is a candidate tumour suppressor gene - a gene that allows cancer cells to grow uncontrolled when it is switched off or mutated.

Whilst scientists at the institute were working on the role of HLS5 in cancer, they discovered that the HLS5 gene has potential involvement in several key regulatory processes within human cells.

These key processes have been shown to be important in susceptibility and progression for diseases such as the neurodegenerative disease, Huntington's and immune system regulation, including infectious diseases such as AIDS.

HLS5 is now being developed as a key gene important in multiple disease processes, having multiple functional components, each very attractive for commercialisation.

BioPharmica is very pleased with the progress of its portfolio. This includes the Genechip being developed with Diagnostic Array Systems at RMIT University.

BioPharmica is intending to announce latest results on the Genechip as soon as these are available.

The company has lodged international patent protection over the involvement of HLS5 in testing and treatment of these additional diseases.

Managing Director Dr Sam Gallagher said "BioPharmica will continue to focus on diagnostic and therapeutic applications in cancer for HLS5 with WAIMR due to the capabilities and recent success of the team.

"Research conducted in animals at the Royal Perth Hospital campus of WAIMR has found that HLS5 has an anti-cancer effect.

"The study found that the introduction of HLS5 reduced the formation of cancers in mice," he said.

"We have also completed a pilot trial showing that the HLS5 gene was aberrant in the majority of tissue samples from patients with cancer, consistent with its role as a tumour suppressor.

"The scientists at WAIMR have been exploring links and pathways that are now gathering interest from international researchers," Dr Gallagher declared.

BACKGROUND

BioPharmica joined the Australian Stock Exchange in August 2004. It is developing products to detect and treat breast, colorectal and prostate cancer through its project with the University of Western Australia and the world-class research team in the Laboratory for Cancer Medicine at WAIMR.

BioPharmica is working to commercialise cancer research developed by Professor Peter Klinken and his team at WAIMR.

The institute is a venture involving the Royal Perth Hospital, Sir Charles Gairdner Hospital, Fremantle Hospital and the University of Western Australia. In recognition of its potential in detecting and treating cancer, HLS5 has attracted over \$1 million in research funding from the NHMRC, Cancer Council of WA, the National Breast Cancer Foundation and the Medical Research Foundation of Royal Perth Hospital. The market opportunity for HLS5 is substantial as a tumour suppressor gene has a billion dollar market potential.

A case in point is Myriad Genetics Ltd, a US company commercialising a tumour suppressor gene relevant to just 10pc of patients.

The company recently had a market capitalisation of \$US427 million.

BioPharmica's business strategy offers shareholders exposure to a company with a portfolio of biomedical products, as it believes a portfolio strategy markedly increases the opportunity to create sustained share price performance.

The company is also partnered with Dr Benjamin Fry and Dr Viraj Nawagamuwa from Diagnostic Array Systems Pty Ltd (DAS) who are both world leaders in understanding the genetic structure of bacteria.

Infectious diseases caused by bacteria such as pneumonia and legionnaires disease are some of the most deadly diseases in the world and affect millions of people in developed and developing nations.

Many current tests cannot effectively diagnose which exact bacterium is causing a disease and doctors are forced to prescribe drugs or antibiotics that treat a general range of bacteria.

This practice is creating a dangerous and global side effect as bacteria are becoming resistant to antibiotics.

Many current tests are also so slow that patients are dying or experience a stronger infection.

BioPharmica is working with DAS to commercialise biotechnology that identifies which specific bacterium is causing a disease by using the genetic structure (DNA) of bacteria.

In using bacterial DNA the testing process can be faster and much more accurate.

Treatment is then more effective as drugs are prescribed sooner and for the specific bacterium causing the disease.

Molecular testing using DNA is a \$US1 billion worldwide market and grew around 20pc in 2003, however diagnostic tests for only nine infectious agents account for essentially all molecular testing kits approved by the US Food and Drug Administration.

This creates an enormous market opportunity for BioPharmica as Dr Fry's and Dr Nawagamuwa's research could markedly increase the number of infectious agents diagnosed through molecular testing.

In focusing on biomedical commercialisation the company has assembled a team experienced in science, business strategy and corporate structuring.

They bring strong skills in research management, transaction structuring, value adding and commercialisation.

ENDS

Copyright © 2006 RWE Australian Business News. All rights reserved.