



Biotech Daily

Tuesday October 25, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PRIMA UP 9%; RESMED DOWN 13%**
- * **RESMED RECORD QUARTER REVENUE, BUT NOT PROFIT**
- * **REVA RESOLVES REZOLVE STENT ISSUES; TRIAL START IN 2011**
- * **PRIMA'S EURO MANUFACTURER AUTHORIZED**
- * **BAILLIE GIFFORD TAKES 7% OF COCHLEAR**
- * **ORBIS TAKES 19% OF PHOSPHAGENICS**
- * **AVEXA AGM FOR 5m DIRECTOR OPTIONS**
- * **NOVOGEN'S MARSHALL EDWARDS APPOINTS CHARLES BALTIC**
- * **OBJ TO DEVELOP COSMETICS WITH UNNAMED COMPANY**
- * **SOLAGRAN'S UAE BIOEFFECTIVE A LAUNCH FOR MRSA, BED SORES**

MARKET REPORT

The Australian stock market fell 0.64 percent on Tuesday October 25, 2011, with the S&P ASX 200 down 27.1 points to 4,227.9 points. Twelve of the Biotech Daily Top 40 stocks were up, 17 fell, five traded unchanged and six were untraded. All three Big Caps fell.

Prima was the best, up 1.5 cents or 8.6 percent to 19 cents with 19.9 million shares traded. Reva climbed 5.1 percent; Starpharma was up 4.35 percent; Living Cell and Phylogica were up more than three percent; Heartware, Tissue Therapies and Viralytics rose more than two percent; with Biota, Clinuvel and Sirtex up more than one percent; and QRX up 0.35 percent.

Resmed led the falls, down 39 cents or 13 percent to \$2.61 with 22.1 million shares traded, followed by LBT down 11.1 percent to four cents and Patrys down 10.8 percent to 5.8 cents, both on small volumes.

Antisense lost 10 percent; Pharmaxis and Sunshine Heart fell more than nine percent; Anteo was down 7.8 percent; Genetic Technologies was down 6.7 percent; Benitec, Cellmid, Phosphagenics and Universal Biosensors fell five percent or more; Alchemia, Acrux, Cathrx, Cochlear and CSL fell more than three percent; with Bionomics and Circadian shedding more than two percent.

RESMED

Resmed has posted record quarterly revenue for the three months to September 30, 2011, up 11.6 percent to \$US314,774,000, but profit fell 10.9 percent to \$US50,518,000. In August, Resmed posted its 66th consecutive quarter of record revenue and record net profit after tax (BD: Aug 5, 2011).

Resmed said diluted earnings per share was 33 US cents, an 8.3 percent fall compared to the three months to September 30, 2010.

Resmed blamed "currency exchange rate movements" for the fall in profits but also said it had increased research and development expenditure by 33 percent, compared to the previous corresponding period.

Resmed fell 39 cents or 13 percent to \$2.61 with 22.1 million shares traded.

REVA MEDICAL

Reva says it has overcome incorrect deployment issues with its Rezolve cardiac stent relating to manufacturing scale-up and hoped to begin its European pilot trial this year. Reva said it was "critical to remedy this issue to ensure safe and effective performance of the stent in order to deliver the desired clinical outcomes in our pilot clinical study".

The company said it had "successfully identified and overcome the underlying causes of our deployment issues and have implemented the final subtle design and process changes that were required".

Reva said that initial testing of the final adjustments "has gone well in rigorous bench and preclinical tests; we believe the Rezolve stent is ready to be evaluated in patients with coronary artery disease".

The company said it was completing final confirmatory bench and preclinical tests to verify that the changes result in reliable performance and all regulatory approvals are in place in Brazil and Germany to commence the 50-patient Conformité Européenne (CE) mark trial. Reva said the six month delay to the start of the pilot clinical study could result in a similar delay to the start of the trial, but the company would "pursue appropriate clinical and strategic avenues to minimize the delay and remain as close to our commercialization timeline as possible" and had prepared additional clinical sites to treat patients.

The company said 11 sites in Brazil and Europe would expedite enrollment and the collection of clinical data, which would determine the timing of the larger pivotal trial.

Reva said it had sufficient cash to meet the timeline objectives and expected to enroll the first clinical patients by the end of December 2011.

Reva was up three cents or 5.1 percent to 62 cents.

PRIMA BIOMED

Prima says that its European manufacturing partner, the Fraunhofer Institute for Cell Therapy and Immunology IZI, has manufacturing authorization to produce CVac.

Prima said the authorization was "a key component" of its regulatory application to begin the planned phase II/III trial in Europe.

The company said the authorization followed a formal inspection of facilities and covered the complete CVac manufacturing for testing in clinical trials.

Prima said good manufacturing practice inspection and subsequent manufacturing authorization was a prerequisite to production of any medicinal product intended for human administration in Europe.

Prima was up 1.5 cents or 8.6 percent to 19 cents with 19.9 million shares traded.

COCHLEAR

Baillie Gifford & Co and associates have increased their substantial holding in Cochlear from 3,506,482 shares (6.16%) to 4,195,209 shares (7.37%).

The Edinburgh-based Baillie Gifford became substantial in Cochlear in August and has continued acquiring shares (BD: Aug 19 2011).

Cochlear fell \$1.91 or 3.17 percent to \$58.34.

PHOSPHAGENICS

Orbis Investment Management has increased its holding in Phosphagenics from 120,049,981 shares (16.23%) to 178,351,933 shares (18.85%).

Orbis bought and sold large numbers of shares between November 6, 2009 and October 21, 2011, with the four most recent large acquisitions of more than 25 million shares acquired at prices between 9.8 cents and 13.6 cents.

Phosphagenics fell one cent or 5.7 percent to 16.5 cents with 3.5 million shares traded.

AVEXA

Avexa shareholders will vote to issue 2000,000 options to chairman Iain Kirkwood and 1,000,000 options each to directors Jet Soedirdja, Bruce Hewett and Allan Tan.

Avexa's annual general meeting notice said the options had an exercise price of six cents each by December 31, 2013, but were conditional on the company's five-day volume weighted average price share equaling or exceeding 12.5 cents.

Avexa said shareholders would also vote on the election of Mr Kirkwood and Mr Tan.

The meeting will be held at KPMG, 147 Collins Street, Melbourne, on November 24, 2011 at 10am (AEDT).

Avexa was up 0.1 cents or 2.4 percent to 4.3 cents.

NOVOGEN

Novogen says 57 percent subsidiary Marshall Edwards has appointed healthcare investment banker Charles Baltic as a director.

Novogen said that Mr Baltic was Needham & Co's managing director and co-head of healthcare and the appointment increased the board to six members and five independent directors.

The company said Mr Baltic had experience in equity, structured, convertible and debt financings in public and private markets, as well as merger and acquisitions and advisory assignments.

Novogen said Mr Baltic had more than 19 years' experience with life science and healthcare companies, raising more than \$US7 billion in life science financings.

The company said Mr Baltic held Bachelor of Arts and Juris Doctor degrees from Georgetown University and a Masters of Business Administration from the University of Pennsylvania.

Novogen fell half a cent or 3.85 percent to 12.5 cents.

OBJ

OBJ says that an unnamed company has begun negotiations for a development and commercialization agreement for consumer health and beauty fields products.

OBJ said there had been a year-long technical evaluation of its magnetic micro-array transdermal technology (BD: Sep 28, 2010).

The company said the technical evaluation required it to develop magnetic micro-arrays that demonstrated enhanced delivery of a number of key ingredient molecules used in the 'fast-moving consumer goods' product portfolios.

OBJ was up 0.2 cents or 11.8 percent to 1.9 cents with 14.2 million shares traded.

SOLAGRAN

Solagran says it has launched its pine needle extract cure-all Bioeffective A in the United Arab Emirates.

Solagran said that executive chairman Dr Vagif Soultanov presented at launch symposiums in Dubai and Abu Dhabi on October 10 and 12, 2011, respectively.

The company said distributor representatives would visit 800 doctors over the following three months to introduce them to the product.

Solagran said Bioeffective A had been purchased by the Aster Group, one of the largest pharmacy chains in the United Arab Emirates.

The company said Dr Soultanov met specialists from the infectious diseases unit of the Rashid Hospital and the units "representatives agreed to trial Solagran's Bioeffective A, a powerful natural anti-oxidant without side-effects, in a group of selected patients and upon achieving positive results committed to use the product across their entire unit".

Solagran said it would expect other departments to begin dispensing the product once the infectious diseases unit completed its review.

The company said some of the doctors were prescribing the product.

Solagran claimed Bioeffective A had a "wide spectrum of ... anti-bacterial action ...

including its effectiveness against [Staphylococcus aureus ... Methicillin-resistant Staphylococcus aureus], a senior consultant of the geriatrics unit expressed great interest in using this product for the treatment of bed-sores".

Solagran was unchanged at seven cents.