



Biotech Daily

Wednesday November 16, 2011

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ALCHEMIA, PRANA UP 3%; PSIVIDA DOWN 17%**
- * **PHARMAXIS 1-FOR-3 RIGHTS ISSUE TO RAISE \$80m**
- * **STARPHARMA \$32m PLACEMENT, SHARE PLAN**
- * **COGSTATE \$2.6m DEPRESSION TRIAL CONTRACT**
- * **NUSEP SETTLES 2nd US PATENT CASE**
- * **ALCHEMIA EGM ON \$15m PLACEMENT, ORBIS SHARES**
- * **ISONEA TAKES CAPITAL RAISING HALT TO SUSPENSION**
- * **FOUNDER M-D NICK GATSIOS TO RESIGN FROM HEALTHLINX IN 2012**
- * **RESEARCH, ACTIVISM GONG FOR WEHI'S PROF DOUG HILTON**
- * **BIONICHE INVESTIGATOR DR ALVARO MORALES WINS CANADA GONG**

MARKET REPORT

The Australian stock market fell 0.89 percent on Wednesday November 16, 2011 with the S&P ASX 200 down 38.2 points to 4,247.4 points. Five of the Biotech Daily Top 40 stocks were up, 20 fell, eight traded unchanged and seven were untraded.

Alchemia and Prana were equal best, up 3.3 percent to 31 cents and 15.5 cents respectively, with 790,169 and 4,150 shares traded, respectively, followed by Heartware up 3.2 percent to \$1.765 with 16,576 shares traded. Biota and Sunshine Heart rose more than two percent and CSL was up 0.8 percent.

Psivida led the falls for the third day in a row, down 30 cents or 16.7 percent to \$1.50 with 29,750 shares traded, followed by Antisense down 6.25 percent to 1.5 cents with 35.3 million shares traded.

Bionomics, Cellmid, Compumedics and Tissue Therapies lost more than five percent; Universal Biosensors fell 4.4 percent; Acrux, Genetic Technologies, Living Cell, Neuren and Viralytics were down more than three percent; Allied Health and Phosphagenics shed more than two percent; with Cochlear, Patrys, Phylogica, Reva and Sirtex down more than one percent.

PHARMAXIS

Pharmaxis hopes to raise \$80 million through a 50 percent underwritten, non-renounceable one-for-three share rights issue at \$1.05 a share.

The company said the rights issue would be used to increase its cash reserves and strengthen the balance sheet in anticipation of the commercial launch of Bronchitol for cystic fibrosis in Europe, which was expected by July 2012.

Pharmaxis said the institutional book-build would close on November 17, the record date for retail investors was November 21, the retail offer would open on November 24 and close on December 8, 2011.

The company said the entitlement offer was underwritten to \$40 million by Merrill Lynch International (Australia) and Wilson HTM Corporate Finance.

Pharmaxis chief executive officer Dr Alan Robertson told Biotech Daily the company's share register was about 60 percent institutions and 40 percent retail investors and that any shortfall would be placed.

Pharmaxis was in a trading halt and last traded at \$1.30.

STARPHARMA

Starpharma says it has raised \$32 million through a placement at \$1.075 a share and hopes to raise a further \$3 million through a share purchase plan.

Starpharma said shareholders would be able to apply for shares in parcels up to \$15,000 at the same offer price of \$1.075, but the plan was capped at \$3 million.

Starpharma said the funds would be used to accelerate and complete both Vivagel bacterial vaginosis phase III programs for treatment as well as prevention of recurrence, support a new drug application filing and commercial licence and advance multiple product opportunities across its drug delivery and agrochemical programs.

Starpharma said the record date for the share plan was November 15, with the offer opening on November 23, 2011.

The company told Biotech Daily that a closing date for the share plan had not been announced.

Starpharma said Bell Potter and Shaw Corporate Finance acted as joint lead managers to the placement.

Starpharma was unchanged at \$1.075.

COGSTATE

Cogstate says it has signed a \$2.6 million contract with an unnamed pharmaceutical company for a phase II clinical trial for the treatment of major depressive disorder.

Cogstate said it would provide its cognitive testing technology and associated services to 600 patients at 100 sites around the world and the computerized software and associated on-line site training materials would be provided in six languages.

The company said that since July 1, 2011 it had signed sales contracts to the value of \$US7.2 million compared to \$US3.2 million between July 1 and November 30, 2010.

Cogstate said it had \$9 million of contracted revenue that would be recognized in future periods assuming an Australian-US dollar parity.

The company said \$US5 million would be recognized in the 2011-'12 financial year, in addition to the \$3.2 million revenue recorded during the period July 1 to October 31, 2011.

Cogstate fell 1.5 cents or 5.8 percent to 24.5 cents.

[NUSEP](#)

Nusep says it has settled the US patent infringement case Expedeon with the Cambridge UK-based company agreeing to supply its fast acting gel stain.

The company said the terms of this settlement were confidential, but it had been granted the worldwide distribution of the Expedeon Instantblue stain under its own name, adding to its pipeline of laboratory consumables.

Nusep said the settlement finalized the US patent legal case that Nusep began in 2010 against Expedeon and the Massachusetts-based Thermo Scientific (BD: June 28, 2011).

Nusep said that the cases showed "its resolve to protect its intellectual property".

The company said the settlement of the two cases protected and reinforced its intellectual property "while, in the main, recovering the associated legal costs".

Nusep was untraded at 10 cents.

[ALCHEMIA](#)

Alchemia says shareholders will vote to approve two tranches of placement shares totaling 62,500,000 shares and 4,775,000 shares for Orbis Investment Management.

Alchemia said the placement shares to be issued at 24 cents a share to raise \$15 million would support the spin-out of Alchemia Oncology (formerly Meditech) with a share plan for up to \$5 million (BD: Nov 7, 2011).

The company said it had agreed with major shareholder Orbis that it could maintain its 19.1 percent holding.

The meeting will be held at Corrs Chambers Westgarth lawyers, Level 35, Waterfront Place, 1 Eagle Street, Brisbane on December 19, 2011 at 10am (AEST).

Alchemia was up one cent or 3.3 percent to 31 cents.

[ISONEA](#)

Isona has requested a voluntary suspension to follow the trading halt it requested on November 14, 2011, pending "an announcement to the market in relation to a capital raising" (BD: Nov 14, 2011).

Isona last traded at 0.8 cents.

[HEALTHLINX](#)

Healthlinx says founder and managing director Nick Gatsios will resign from the company effective from June 30, 2012.

Healthlinx said Mr Gatsios was a founding director of the private company when it was established in 2002 and has been chief executive officer since listing on the ASX in 2006.

The company said that "in a decision reached by both parties, Mr Gatsios will extend his contracted notice period by two months to remain with the company as managing director until June 30, 2012 ... to allow Mr Gatsios to complete current projects of strategic importance to the company".

Healthlinx chairman Dr Greg Rice and the board said that Mr Gatsios made an "extraordinary contribution ... to develop and position the company on the global markets".

"The board and I thank Nick for his professionalism and commitment to the company over the past nine years, Dr Rice said. "As CEO, Nick managed the clinical trials and data generation that underpin the company's Ovplex ovarian cancer diagnostic."

Healthlinx said a search would begin for a new chief executive officer.

Healthlinx was unchanged at 1.3 cents with 2.8 million shares traded.

RESEARCH AUSTRALIA, WALTER AND ELIZA HALL INSTITUTE

The Walter and Eliza Hall Institute for Medical Research says director Prof Doug Hilton is expected to receive the 2011 Research Australia Leadership and Innovation Award. A WEHI media release said the Research Australia's award recognized "Prof Hilton's achievements as a medical researcher, as well as his leadership in promoting the value of health and medical research to the Australian community".

The Institute said Prof Hilton's career focused on the control of blood formation and his research revealed many molecules that were important for blood formation and signaling between cells.

The Institute said that in 2009 Prof Hilton became its sixth director and was appointed the head of the Department of Medical Biology at the University of Melbourne continuing WEHI's research in cancer, infectious diseases and immune disorders and enhanced the translation of institute research into improvements in health care.

Earlier this year, Prof Hilton initiated the 'Discoveries Need Dollars: Protect Medical Research' campaign in response to indications that cuts to medical research funding were planned in the 2011-'12 Federal Budget (BD: Apr 8, May 11, 2011).

WEHI said the campaign "roused strong support for maintenance of medical research funding from the community, culminating in thousands of Australians attending 'Rallies for Research' in April" and the medical research budget was maintained.

The University of Melbourne's associate dean of the Faculty of Medicine Prof Arthur Shulkes said Prof Hilton "exemplifies what can be accomplished with true leadership and innovation ranging from his stellar research achievements to his passionate support for the Discoveries Need Dollars campaign".

BIONICHE LIFE SCIENCES

Bioniche said principal investigator for its Urocidin bladder cancer trials Dr Alvaro Morales has been awarded the Member of the Order of Canada in recognition of his research.

Bioniche said the Canadian Government award recognized Dr Morales contributions to advancing the field of urology, notably in the areas of oncology and sexual dysfunction.

The company said Dr Morales was the principal investigator in its phase I and II clinical trials, as well as the first phase III trial of its Urocidin mycobacterial cell wall DNA complex for bladder cancer.

Bioniche said that in the 1970s, Dr Morales hypothesized that infecting the bladder with bacillus Calmette-Guérin (BCG) would provoke an immune system response that would be sufficiently robust to eliminate some bladder tumors.

The company said that BCG was a live vaccine developed in the 1920s to prevent tuberculosis and Dr Morales' work was the basis for registration of BCG as a bladder cancer therapy.

Bioniche said Dr Morales believed Urocidin could have fewer side effects, better tolerability and be safer to handle than BCG, the standard for bladder cancer therapy.

Bioniche said the Order of Canada was established in 1967 and was central to Canada's honors system recognizing a lifetime of outstanding achievement, dedication to the community and service to the nation.

Bioniche was untraded at 69 cents.