



# Biotech Daily

Thursday November 24, 2011

*Daily news on ASX-listed biotechnology companies*

- \* **ASX DOWN, BIOTECH FLAT: ANTISENSE UP 26%; IMPEDIMED DOWN 7%**
- \* **LEO PHARMA LAUNCHES IN AUSTRALIA; FOUR \$100k SCHOLARSHIPS**
- \* **M&G GROUP TAKES \$20m, 7% STAKE IN STARPHARMA**
- \* **USCOM REQUESTS DIRECTOR APPOINTMENT TRADING HALT**
- \* **NUSEP CONVERSION TO DEBT-FREE**
- \* **AVITA REAPPOINTS CEO DR WILLIAM DOLPHIN FOR 3 MORE YEARS**
- \* **ELLEX LOSES REMUNERATION VOTE – STRIKE 1**
- \* **DR ANTHONY FILIPPIS REPLACES QPONICS DIRECTOR GEOFF WILSON**
- \* **ORGANOVO, INVETECH WIN FEDERAL ENGINEERING AWARD**

## MARKET REPORT

The Australian stock market slipped 0.17 percent on Thursday November 24, 2011 with the S&P ASX 200 down 6.8 points to 4,044.2 points. Eleven Biotech Daily Top 40 stocks were up, 10 fell, 12 traded unchanged and seven were untraded. All three Big Caps fell.

Antisense was the best, up 0.6 cents or 26.1 percent to 2.9 cents with 115.9 million shares traded, followed by Optiscan up 17.65 percent to 10 cents with 553,616 shares traded and Phylogica up 11.1 percent to six cents with 767,358 shares traded.

Neuren climbed 8.7 percent to 2.5 cents with 35.1 million shares traded; Prana was up 6.45 percent, Clinuvel and Mesoblast were up more than four percent; Allied Health and QRX rose more than two percent; with Alchemia and Tissue Therapies up more than one percent.

Impedimed led the falls, down four cents or 7.3 percent to 51 cents with 117,184 shares traded, followed by Benitec down 6.7 percent to 1.4 cents with 5.3 million shares traded.

Acrux, Avita and Patrys lost more than four percent; Pharmaxis shed 2.8 percent; Cochlear, Nanosonics, Resmed and Universal Biosensors were down more than one percent; with CSL, Sirtex and Starpharma down less than one percent.

## LEO PHARMA

Leo Pharma will establish a presence in Australia to market its products, educate doctors and patients and will fund four \$100,000 dermatology scholarships a year.

Leo Pharma's chief executive officer Gitte Aabo told Biotech Daily that in 2009 the Denmark-based dermatology company launched a strategy "to be more than a north European company and to be an international company".

Ms Aabo said that two parts to the strategy were entering the US market and the \$348 million acquisition of the Brisbane-based Peplin with its PEP005 (ingenol mebutate) topical gel for actinic keratosis and other precancerous lesions (BD: Sep 3, Nov 12, 2009). Ms Aabo said the Australian launch of Leo Pharma meant the company would give effect to her company's "ambition to go beyond products of high quality with bringing information, knowledge and support to patients".

Leo Pharma Australia's general manager Dr Peter Welburn said the company would provide a range of services include support for patient information programs through dermatologists, general practitioners and pharmacies, along with nurses to assist patients and sponsor information websites such as [www.knowyourownskin.com](http://www.knowyourownskin.com).

Both Ms Aabo and Dr Welburn stressed the need for greater information about serious skin conditions for patients and doctors.

Ms Aabo said Leo Pharma had no cosmetic products, only pharmaceutical compounds for a range of skin conditions.

She said Leo had ointments and gels for psoriasis, such as Daivobet as well as the Fucidin antibiotic for skin infections and atopic dermatitis.

She said Leo Pharma filed its application for PEP005, to be known as Picato, to the US Food and Drug Administration in March 2011 and expected approval in January 2012, with a launch in the US by April 2012.

Ms Aabo said the company had also filed applications in Europe, Australia and Brazil. She said the phase III trial had a 58-day follow-up and the FDA required a 12-month safety follow-up.

Ms Aabo said there were no serious adverse events associated with PEP005.

Mr Welburn said that although the PEP005 application was only for actinic keratosis, doctors could use it for other conditions and the company had completed a 60-patient phase II trial and was currently running a larger trial in Australia.

"Our focus is to be the most advanced company in dermatology," Dr Welburn said.

"Our mission in Leo is to help people achieve healthy skin."

Ms Aabo said the company would host dermatology seminars and encourage doctors to avail themselves of Federal Government grants for tele-medicine, facilitating consultations for patients in remote and rural Australia.

The Australian launch in Melbourne was supported by Denmark's Prince Frederik and Princess Mary who were present at the launch of the first Australian-Danish dermatology research collaboration today with four \$100,000, three-year, Leo Foundation Scholarships for Dermatology Research to fund Ph D students to conduct research projects in dermatology at the University of Queensland and the University of Copenhagen.

A Leo Pharma media release said Australia was thought to be the skin cancer capital of the world with two in three people diagnosed with skin cancer by the time they were 70 years and Denmark also had one of the highest recorded incidences of skin cancer.

Leo Pharma said the scholarships were supported by the Leo Foundation, established in 1984 to ensure the company's long-term survival as a research-based organization.

"By paving the way for new, innovative treatment opportunities, the scholarship can help us improve people's quality of life," Ms Aabo said.

### STARPHARMA

Several M&G Investment Funds have become collective substantial shareholders in Starpharma with the acquisition of 18,604,651 shares or 6.70 percent of the company. The London-based M&G companies said they acquired the shares for \$19,999,999 or an average price of \$1.075 a share.

Last week Starpharma raised \$32 million in a capital raising at \$1.075 (BD: Nov 16, 2011). Separately, between February 17 and September 15, 2011, the M&G group increased its substantial holding in Mesoblast from 5.69 percent to 10.04 percent.

Starpharma fell half a cent or 0.4 percent to \$1.14.

### USCOM

Uscom has requested a trading halt "pending the replacement of the two directors who were not re-elected at the company's [annual general meeting].

On Tuesday, November 22, Uscom shareholders deposed then executive chairman Philip Kiely and director Jochen Bonitz, while reelecting founder Rob Phillips (BD: Nov 22, 2011).

Uscom said the directors were expected to be appointed "by the close of business on Friday November 25, 2011."

Trading will resume on November 28, 2011 or on an earlier announcement.

Uscom last traded at 11 cents.

### NUSEP

Nusep says the conversion of its final \$150,000 convertible notes into shares at 10 cents a note leaves the company "debt free".

Nusep said every parcel of two shares came with an option exercisable at 15 cents each. The company said it had received requests to exercise 534,099 of the listed options at 15 cents each.

Nusep was untraded at nine cents.

### AVITA MEDICAL

Avita says it has extended chief executive officer Dr William Dolphin's contract for a further three years to June 30, 2014.

Avita said Dr Dolphin was appointed chief executive officer following the 2008 merger of Clinical Cell Culture and the Visiomed Group, of which Dr Dolphin was the chief executive officer.

The company said that under Dr Dolphin the market capitalization had a "near threefold increase" revenues were up 232 percent; increased gross margins were up 252 percent and operating losses were reduced by 624 percent.

Avita said Dr Dolphin secured \$US3.9 million in funding from the US Department of Defense to support US Food and Drug Administration trials and raised \$11 million to fund expansion of global sales & marketing efforts.

The company said Dr Dolphin restructured the company, recruiting a new management team and rationalized operations with a re-organization of the sales team and strategy.

Avita fell half a cent or 4.8 percent to 10 cents.

### ELLEX MEDICAL LASERS

More than 62 percent of votes cast at the Ellex annual general meeting opposed the remuneration report, providing the first of two triggers for a board spill.

The remuneration report vote was lost with 6,042,041 proxy votes (62.64%) against and 2,195,804 proxy votes (37.36%) in favor.

Ellex has more than 84.9 million shares on offer.

The Corporations Act (Section 250U) provides for a 'two strikes and re-election' process if a company's remuneration report is opposed by more than 25 percent of votes on two consecutive occasions, taking the company to a vote on a board spill motion.

Director Giuseppe Canal was elected with more than 21.4 million votes in favor and about 5.5 million votes against.

Ellex was unchanged at 13 cents.

### QPONICS

Qponics says it has appointed Dr Anthony Filippis as a director following the retirement of co-founder Geoff Wilson.

Qponics is developing omega-3 oils from the cultivation of algae in an aquaculture-horticulture process, to reduce the demand of fish stocks for the oils.

The company said Dr Filippis had specialist knowledge in biotechnology business and corporate development and was most recently with Xenome before co-founding the advisory firm Afandin Pty Ltd.

Qponics said Dr Filippis was the head of corporate development at Meditech Research and was involved in the merger with Alchemia and previously was employed by KPMG and the Victorian State Government's biotechnology commercialization team.

Qponics said Dr Filippis held a PhD in biochemistry from the University of Melbourne and a Masters of Business Administration from La Trobe University.

The company said that Mr Wilson would remain as a communications consultant.

Qponics is a public unlisted company.

### FEDERAL GOVERNMENT, AUSINDUSTRY, ORGANOVO, INVETECH

The Minister for Innovation Senator Kim Carr says Organovo and Invetech have won the Federal Government's Ausindustry Engineering Innovation Award.

A media release from the Minister said the US-based Organovo had developed the world's first commercial three-dimensional bio-printer, helping organizations working on tissue construction and organ replacement.

"The Engineering Innovation Award recognizes a project's potential contribution to the national economy and the impact of its [research and development]," Senator Carr said.

"AusIndustry sponsors this award to promote and reward world-leading innovation,"

Senator Carr said. "For decades the goal of tissue engineers has been to advance beyond simple cell cultures to creating three-dimensional organs".

"This partnership took just nine months to solve these engineering challenges and design, develop, manufacture and ship the world's first commercial 3D bioprinter," he said.

For more information on the awards go to: [www.excellenceawards.org.au](http://www.excellenceawards.org.au).