



# Biotech Daily

Monday December 12, 2011

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: MESOBLAST UP 9%, ANTISENSE DOWN 10%**
- \* **GREG COMBET APPOINTED INNOVATION MINISTER**
- \* **5-YEAR DATA BACKS IMPEDIMED EARLY LYMPHOEDEMA INTERVENTION**
- \* **PHYLOGICA EARNS PFIZER MILESTONE; FUNDING TRADING HALT**
- \* **TYRIAN LICENCES TB BIOMARKER**
- \* **AUSTRALIAN ETHICAL TAKES 144% PROFIT ON 14m NEUREN SHARES**
- \* **ASIC ORDERS NUSEP TO SELL BREACH SHARES; RAISE \$959k**
- \* **NEURODISCOVERY REAPPOINTS DAVID MCAULIFFE DIRECTOR**

## MARKET REPORT

The Australian stock market climbed 1.18 percent on Monday December 12, 2011 with the S&P ASX 200 up 49.8 points to 4,252.8 points.

Twelve of the Biotech Daily Top 40 stocks were up, nine fell, 12 traded unchanged and seven were untraded. All three Big Caps were up.

Mesoblast was the best, up 65 cents or 8.9 percent to \$7.99 with 735,030 shares traded, followed by Circadian up 7.8 percent to 48.5 cents with 11,735 shares traded.

Cellmid and Neuren climbed more than six percent; Tissue Therapies was up five percent; Cochlear and Genetic Technologies were up more than four percent; Acrux was up 3.8 percent; Allied Health, Heartware, Patrys, Reva and Starpharma were up more than two percent; with CSL up 1.1 percent; and Resmed up 0.8 percent.

Antisense led the falls, down 0.3 cents or 10.3 percent to 2.6 cents, with 42.9 million shares traded, followed by Sunshine Heart down 10.3 percent to 3.5 cents.

Benitec lost 6.25 percent; Viralytics was down 5.3 percent; QRX fell 1.1 percent; with Bionomics, Clinuvel, Pharmaxis and Sirtex down by less than one percent.

## FEDERAL GOVERNMENT

Prime Minister Julia Gillard has appointed Climate Change and Energy Efficiency Minister Greg Combet as the Minister for Industry and Innovation, replacing Senator Kim Carr.

A statement by the Prime Minister said the expanded Department of Industry, Innovation, Science, Research and Tertiary Education would have two Cabinet Ministers, with the Leader of the Government in the Senate, Senator Chris Evans, appointed Minister for Tertiary Education, Skills, Science and Research.

A statement on the Prime Minister's website said the new portfolio would mean "better links between industry, innovation, science, research and tertiary education".

"This new portfolio will also be responsible for international education given the importance of higher education and vocational education and training to this sector," the statement said.

Mr Combet is the Member of the House of Representatives for the seat of Charlton based around Lake Macquarie, south of Newcastle, New South Wales.

Mr Combet rose to prominence as an official of the Maritime Union of Australia during the Federal Howard Government and Patrick Stevedores dispute in 1997-'98 and was elected Australian Council of Trade Unions secretary in 1998.

Mr Combet holds a Bachelor of Engineering from the University of New South Wales, a Bachelor of Economics from Sydney University and a Graduate Diploma of Labour Relations and the Law from Sydney University.

## IMPEDIMED

Impedimed says that five-year follow up data in supports early intervention as important for improving clinical outcomes in lymphoedema following breast cancer treatment

Impedimed said the poster presentation on a preliminary report summarizing the five-year follow up data from the 2008 study was represented at the San Antonio Breast Cancer Symposium, sponsored by the University of Texas' Cancer Therapy and Research Center and the American Association for Cancer Research.

The company said the 2008 study entitled 'Preoperative assessment enables the early diagnosis and successful treatment of lymphoedema' was published in the journal Cancer and an abstract is at <http://onlinelibrary.wiley.com/doi/10.1002/cncr.23494/abstract>.

Today, Impedimed said the five-year study showed improved long term outcomes across a range of side effects for breast cancer patients.

The company said that over the term of the trial lymphoedema increased from 21.4 percent in the first year to 38 percent by the fifth year.

The study entitled 'Five Year Preliminary Outcomes of a Prospective Surveillance Model To Reduce Upper Extremity Morbidity Related to Breast Cancer Treatment' was co-authored by Prof Charles McGarvey a co-author on the 2008 Cancer journal study.

The five-year study concluded that "pre-operative assessment, prospective surveillance and early intervention enhances function and reduces morbidity ... [and] early assessment and intervention should be the standard of care for patients receiving breast cancer treatment".

Impedimed chief executive officer Greg Brown said the preliminary report was "very encouraging and the fact that 71 percent of patients with sub-clinical lymphoedema were prevented from progressing to irreversible forms supports the new clinical paradigm of early intervention".

"This longer term prevention of progression also supports the hypothesis of the health economic model," Mr Brown said.

Impedimed was unchanged at 56 cents.

## PHYLOGICA

Phylogica says it has completed the first stage of its collaboration with Pfizer to discover novel peptide-based vaccines and receive an undisclosed milestone payment.

Phylogica said the collaboration began in December 2010 and the company had identified several peptides from its Phylomer libraries that would be further evaluated for their potential as candidate antigens for a vaccine against an undisclosed disease target.

Phylogica chief executive officer Dr Paul Watt said the milestone "provides additional support for the potential value of our Phylomer libraries as a source of novel peptide drug candidates".

Separately, Phylogica requested a trading halt pending a capital raising.

Trading will resume on December 14, 2011 or on an earlier announcement.

Phylogica last traded at 5.7 cents.

## TYRIAN DIAGNOSTICS

Tyrian says it has licence its biomarker for active tuberculosis to Speedx Pty Ltd to development and commercialize diagnostic tests.

In 2009, Tyrian said Becton Dickinson and Co would pay an undisclosed upfront fee and fund nine months research on its point-of-care tuberculosis test. (BD: May 13, 2009)

Tyrian said at that time that it retained the rights to use its TB biomarkers to develop and commercialize a molecular TB test, which it intended to explore in collaboration with a suitable partner.

Today, Tyrian said the Sydney-based Speedx would pay an up-front payment, milestone payments upon the achievement of regulatory and patent milestones, a percentage of sub-licencing revenues and royalties on net sales of products incorporating Tyrian's patented intellectual property.

The company said Speedx will pay all patent and research and development costs.

Tyrian said Speedx's proprietary Mnzyme technology allowed the simultaneous and sensitive detection of multiple DNA or RNA biomarkers from a clinical sample and it was expected that Tyrian's biomarker would be used in combination with other indicator molecules, such as those allowing analysis of drug resistance, to deliver enabling information for both the diagnosis and treatment of active TB in a single test.

Tyrian managing director Dr Jenny Harry said the company was "very pleased to announce that we have exclusively licenced development of our molecular TB test to Speedx and we believe that the combination of our novel biomarker and its technology should result in a highly competitive product".

Tyrian said that a 2010 validation study at the Public Health Research Institute's TB Centre in the US, showed Tyrian's biomarker had the potential to provide improved sensitivity over existing RNA-based tests for direct detection of active TB infection in sputum samples.

The company said the biomarker was also found to be conserved across different clinical strains of TB, including multi-drug resistance strains.

Tyrian said it did not have the technology to develop a molecular TB test and sought a partner with appropriate expertise to develop a test using its messenger RNA (mRNA) biomarker.

The company said that over the past 12 months it had engaged with a number of diagnostic companies interested in accessing new biomarkers to diagnose active TB for implementation onto their molecular diagnostic test platforms.

Tyrian was up 0.1 cents or 100 percent to 0.2 cents with 1.1 million shares traded.

## NEUREN PHARMACEUTICALS

Australian Ethical Smaller Companies Trust has reduced its substantial shareholding in Neuren from 82,389,788 shares (7.22%) to 68,716,436 shares (5.95%).

In August, Australian Ethical said it acquired the 96,153,840 shares for \$1,250,000 or 1.3 cents a share (BD: Aug 16, 17, 2011).

Today's substantial shareholder notice said Australian Ethical sold the 13,673,352 shares for \$433,697 or an average price of 3.17 cents a share, a 143.8 percent profit before tax. Neuren was up 0.2 cents or 6.7 percent to 3.2 cents with 93.4 million shares traded.

## NUSEP

Nusep says the Australian Securities and Investments Commission has instructed it to sell 7,377,850 previously issued shares, which will raise \$959,120.

Nusep said that it issued the shares for the Bioinquire acquisition and to cover the balance of shares in placements to itself for a nil consideration and also held 1,183,882 options in itself and both holdings were a breach of section 259A of the Corporations Act.

Nusep said it made ASIC aware of the breaches of the Corporations Act and sought guidance from ASIC as to whether it could transfer the remaining shares and options it held in itself to investors pursuant to the earlier placements or whether the company should cancel the shares and options, thereby causing a reduction of capital.

The company said ASIC advised that it was a matter for the company as the breach has already occurred.

Nusep chairman John Manus told Biotech Daily that ASIC had ordered Nusep to resolve the issue by December 31 2011 and the shares would be sold to investors at 13 cents a share and at no cost per option, in line with the earlier placement.

The company said the transfers would not be to related parties or to substantial holders.

Nusep said that ASIC "has not indicated an intention to take any action against the company or any other person in connection with the breach".

Nusep was untraded at 12.5 cents.

## NEURODISCOVERY

Neurodiscovery has reappointed founder and former executive director David McAuliffe as a director along with Bret Mattes and chairman Michael Robson has resigned.

Last year, following approval of the sale of the UK-based Neurosolutions Mr McAuliffe resigned, remaining as a consultant (BD: Aug 6, 2010).

Neurodiscovery said at that time that Mr McAuliffe remained a large and committed shareholder.

Today, Neurodiscovery said Mr McAuliffe had more than 14 years experience in the life science sector and held a law degree and a Bachelor of Pharmacy.

The company said Mr Mattes would be the non-executive chairman.

Neurodiscovery said the Jakarta-based Mr Mattes was the chief executive officer of the Star Energy Group of Companies, an oil and gas producer and natural gas infrastructure owner, operating a geothermal electricity generation facility in West Java.

Neurodiscovery was up 0.1 cents or 3.2 percent to 3.2 cents.