



Biotech Daily

Friday February 10, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH UP:
- IMPEDIMED UP 8%, PHYLOGICA, PATRYS DOWN 10%**
- * **NOMINATIONS OPEN FOR \$90k VICTORIA PREMIER'S, SMORGON AWARD**
- * **FDA APPROVES MYLAN DORYX; MAYNE PATENT CASE CONTINUES**
- * **GI DYNAMICS ADDS MANCHESTER 'CENTRE OF EXCELLENCE'**
- * **CITIGROUP RESUMES SUBSTANTIAL IN PATRYS, REDUCES TO 5%**
- * **FLUOROTECHNICS REQUESTS RESOURCES TRADING HALT**
- * **MESOBLAST CFO JENNI PILCHER APPOINTED GROUP CO SEC**
- * **BIOPROSPECT'S PETER MAY RE-REPLACES M-D CHARLES PELLEGRINO**

MARKET REPORT

The Australian stock market fell 0.88 percent on Friday February 10, 2012 with the S&P ASX 200 down 37.6 points to 4245.3 points.

Twelve of the Biotech Daily Top 40 stocks were up, eight fell, 15 traded unchanged and five were untraded.

Impedimed was the best, up four cents or 7.9 percent to 54.5 cents with 472,798 shares traded.

Genera climbed 6.25 percent; Benitec and Mesoblast were up more than five percent; Genetic Technologies and Nanosonics improved four percent or more; Allied Health was up 3.6 percent; Acrux, Anteo and Sirtex rose more than two percent; with Pharmaxis, Resmed and Tissue Therapies up more than one percent.

PatrYS and Phylogica led the falls, both down 0.2 cents or 5.1 percent to 3.7 cents with 409,483 shares and 3.5 million shares traded, respectively.

Avita, Neuren and QRX lost more than three percent; Bionomics shed 2.2 percent; Alchemia, Cochlear and Universal Biosensors were down more than one percent; with CSL down 0.8 percent.

VICTORIA GOVERNMENT

Victoria's Premier Ted Baillieu has called for applications for the 2012 Premier's Award for Health and Medical Research.

"The Premier's Award for Health and Medical Research is a great opportunity for all Victorians to recognize the achievements of young people in the health and medical research field," Mr Baillieu said.

"This award celebrates the vital contribution early career researchers make to Victoria," Mr Baillieu said.

"I encourage the State's health and medical research postgraduates, and those in the research community, to showcase the great talent we have by putting forward nominations for the Award," Mr Baillieu said.

A media release from the Premier said that past winners have worked in a range of health and medical research fields including cancer, diabetes, cochlear implants and tuberculosis.

The media release said that the 2011 winner Dr Wen Qiu was recognized for her ground-breaking research into the spread of breast and ovarian cancers.

The award includes \$40,000 in prize money, with \$16,000 presented to the winner and \$8,000 provided to each of three commendees.

The Victoria Government said that the Jack and Robert Smorgon Families Foundation also awarded a \$30,000 prize to the research institute associated with the work of the Premier's Award winner and last year the Peter MacCallum Cancer Centre, which employed Dr Qiu, received the award.

Applications for the 2012 Premier's Award close on March 21, 2012, with the winners announced in June 2012.

For further information and to apply online go to: www.business.vic.gov.au/premiersaward or phone the Academy of Technological Sciences and Engineering on +613 9864 0911.

MAYNE PHARMA GROUP

Mayne Pharma says that the US Food and Drug Administration has granted final approval of Mylan Pharmaceuticals generic 150mg doxycycline hyclate delayed-release tablet.

Mayne said the FDA required Mylan to comply with the new dual scoring configuration of the reference-listed drug product when it conducts its next manufacturing run.

Mayne chief executive officer Dr Roger Aston said his company was "surprised by the FDA's decision to approve Mylan's generic product [and], we are currently in the middle of the trial reviewing the Doryx 161 patent" (BD: Sep 22, 2012).

"The FDA's decision is made independent of the patent hearing and the court has issued a temporary restraining order preventing the launch of Mylan's generic product until the court issues a decision on the case," Dr Aston said.

Mayne said that the Doryx patent trial began in the US District Court of New Jersey last week and the defendants were Mylan and Impax Laboratories.

The company said that three other companies, Heritage Pharmaceuticals, Actavis Elizabeth LLC and Sandoz had settled with Mayne and Warner Chilcott under terms that allow generic equivalents to enter the market on or after December 15, 2016, subject to certain exceptions and conditions.

Mayne said that a decision by the Court was expected by early March 2012 and in the event that the US District Court decided against Mayne and Warner Chilcott, both companies intended to pursue their legal rights including a possible appeal.

Mayne fell two cents or 5.9 percent to 32 cents.

GI DYNAMICS

GI Dynamics says it has designated the National Obesity Surgery Centre in Manchester, England as a “center of excellence”.

GI Dynamics said the designation recognized the success of the Centre, which had been treating patients with its Endobarrier obesity and diabetes device, since 2010 in a post-market clinical study and later in commercial use.

The Centre’s general bariatric and transplant surgeon Prof Nadey Hakim said: “We’ve seen remarkable improvements in type 2 diabetes, weight loss and overall health in our commercial patients treated with the Endobarrier.”

“In contrast to other therapies, the Endobarrier achieves these benefits without major surgery, which is a very important factor to many patients,” Prof Hakim said.

GI Dynamics said the Endobarrier was a thin, flexible, tube-shaped liner that formed a physical barrier between food and a portion of the wall of the intestine.

GI Dynamics was up seven cents or 8.2 percent to 92 cents.

PATRYS

Citigroup Global Markets Australia has resumed its substantial holding in Patrys and reduced its holding from 24,246,613 shares (6.668%) to 18,858,405 shares (5.186%).

Last week, Citigroup said it had ceased its substantial holding in both Patrys and Phylogica (BD: Feb 1, 2012) and on January 20 said it held 26,353,542 Patrys shares (7.243%) (BD: Jan 22, 2012).

On February 1, 2012, Citigroup said that it “ceased to hold a relevant interest [in Patrys and Phylogica] as a result of applying [Australian Securities and Investments Commission] Class order CO 11/272 to holdings for which its nominee is the registered holder”.

An ASIC ‘Explanatory Statement’ said “the purpose of this class order is directed to achieving better disclosure of substantial holdings arising from securities lending and prime broking activities”.

In two substantial shareholder notices today, Citigroup said it held its interest in Patrys “acting as prime broker and as the holder of securities subject to return under a securities lending agreement”.

Citigroup did not disclose the identity of the original owner of the shares.

Patrys fell 0.2 cents or 5.1 percent to 3.7 cents.

FLUOROTECHNICS

Fluorotechnics has requested a trading halt “regarding an option to acquire certain resource assets”.

Trading will resume on February 14, 2012 or on an earlier announcement.

Fluorotechnics was originally developing fluorescent gels for the protein research industry (BD: Sep 4, 2008; Sep 9, 2011) and last traded at one cent.

MESOBLAST

Mesoblast says that chief financial officer Jenni Pilcher was appointed group company secretary, replacing Kevin Hollingsworth from January 1, 2012.

Mesoblast was up 33 cents or five percent to \$6.92 with one million shares traded.

BIOPROSPECT

Bioprospect says it has re-appointed Peter May as chief executive officer, replacing managing-director Charles Pellegrino.

The company said Benjamin Cooper would be its nominee non-executive director of Frontier Gasfields.

Bioprospect said the appointment of Mr May was “designed to ensure continuity of management of [its] biotechnology projects, including the Agripo and GI-Guard range of natural plant extracts for the animal health and nutrition markets, the Regen range of personal care products and QCide natural insecticide.

The company said it was “continuing to review these projects with a view to maximizing their value”.

Bioprospect said that Mr May’s appointment was effective immediately and Mr Cooper’s appointment to the Frontier board was expected to become effective within the coming week.

The company said that Mr Pellegrino would continue as a non-executive director in order to streamline senior management changes while maintaining board continuity.

Bioprospect said that as a consequence of the cost cutting measures, the Bourke St, Melbourne office would be closed and in the interim the principal place of business and registered office would be: Suite 25, 145 Stirling Highway, Nedlands, Western Australia. Bioprospect was up 0.1 cents or 20 percent to 0.6 cents.