



Biotech Daily

Thursday March 1, 2012

Daily news on ASX-listed biotechnology companies

- * **FEBRUARY BDI-40 UP 11%, ASX200 UP 0.8%:
- PRIMA, LIVING CELL UP 50%, CATHRX DOWN 46%, ELLEX PROMOTED**
- * **TODAY: ASX, BIOTECH DOWN: CIRCADIAN UP 7%, PSIVIDA DOWN 14%**
- * **OSPREY \$20m IPO FOR CINCOR KIDNEY-TOXIC DYE REMOVAL**
- * **AVITA H1 REVENUE UP 23% TO \$2.6m, LOSS UP 172% TO \$2.1m**
- * **VIRAX, 4G MERGE FOR CANCER IMMUNOTHERAPY; TO RAISE \$8m**
- * **REVA REZOLVE TRIALS ON TRACK**
- * **NUSEP H1 REVENUE UP 42% TO \$2m, PROFIT UP 2241% TO \$25k**
- * **PHYLOGICA APPOINTS JEREMY CURNOCK COOK DIRECTOR**
- * **SIMON ISAACS REPLACES CONESGNA'S PETER ABRAHAMSON**
- * **ISONEA APPOINTS DR LYNN TAUSSIG ADVISORY BOARD CHAIR**

MARKET REPORT

The Australian stock market fell one percent on Thursday March 1, 2012 with the S&P ASX 200 down 43.0 points to 4255.5 points. Nine of the Biotech Daily Top 40 stocks were up, 21 fell, nine traded unchanged and one was untraded. All three Big Caps fell.

Circadian was the best, up 3.5 cents or seven percent to 53.5 cents with 18,500 shares traded. Allied Health and Prana climbed more than six percent; Clinuvel was up 5.8 percent; Ellex, Phylogica and Universal Biosensors rose more than two percent; Nanosonics was up 1.8 percent; with Sirtex up 0.2 percent.

Psivida led the falls, retreating 32 cents or 13.8 percent to \$2.00, with 6,770 shares traded, following yesterdays 86 percent rise. Prima lost 10 percent to 22.5 cents with 27.6 million shares traded; Compumedics was down 8.6 percent; Bioniche and Cellmid fell more than seven percent; Sunshine Heart was down 6.4 percent; Benitec lost 5.6 percent; Genetic Technologies and Reva fell more than four percent; Anteo, Mesoblast and Optiscan were down more than three percent; Cochlear, Heartware and Viralytics shed more than two percent; with Acrux, Alchemia, Pharmaxis and Tissue Therapies down more than one percent.

BIOTECH DAILY TOP 40 INDEX (BDI-40)

The Biotech Daily Top 40 Index (BDI-40) continues its bumpy upward trend adding 11.0 percent in February to a collective market capitalization of \$7,112 million, its highest point since September 2011, and compares to the S&P ASX200 flat-lining in the same period.

For the year to February 29, 2012, the BDI-40 (which does not include the Big Caps of Cochlear, CSL and Resmed) was up 4.2 percent compared to the ASX200 falling 11.0 percent.

The three Big Caps were up 4.2 percent for the month, with all three improving, and CSL clearly the driver, up 5.3 percent to \$17,026 million, continuing a recovery that began in September 2011.

Cochlear was up 2.95 percent to \$3.48 billion and Resmed improved 0.7 percent to \$4.295 billion. The Big Caps lost 13.1 percent over the 12 months to February 29, 2012.

Eighteen of the BDI-40 stocks were up, 15 fell and seven were untraded. Only four companies fell more than 10 percent, while 12 were up more than 10 percent.

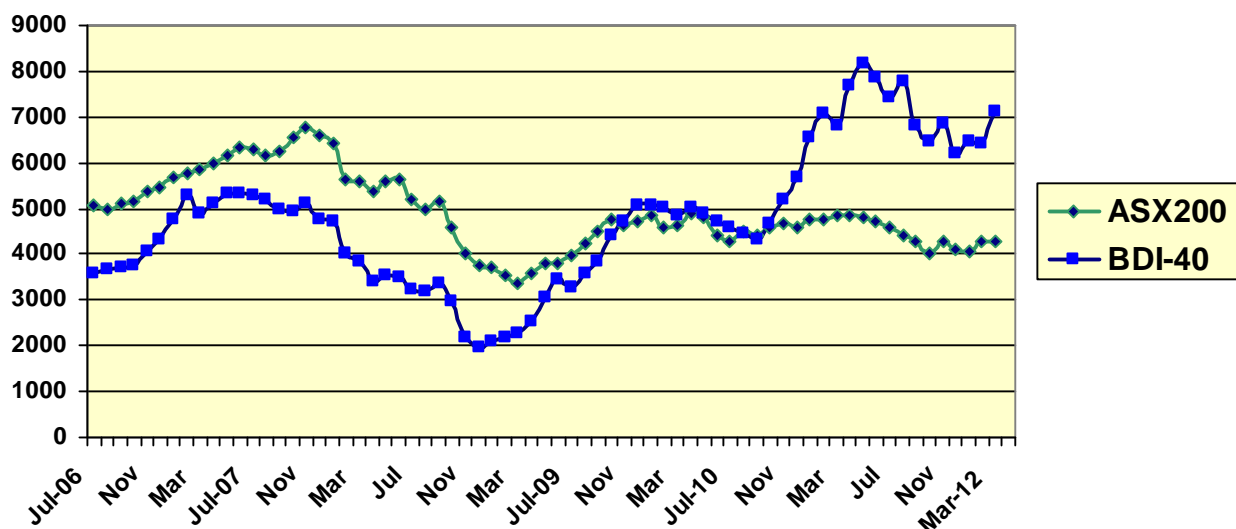
Mesoblast contributed \$350 million of the \$704 million increase despite continued downward pressure from Macquarie Bank's analyst, but many companies were up.

Prima was February's best, up 51.1 to \$266 million, followed by Living Cell up 50 percent to \$24 million, Avita up 43.3 percent to \$43 million, Alchemia (39.8%), Optiscan (20%), Mesoblast (19.2%), Sunshine Heart (18.75%), Anteo (18.2%) and Genera (18.2%).

Cathrx led the falls, down \$6 million or 46.2 percent to \$7 million, followed by Bioniche down 23.2 percent to \$63 million, Clinuvel (20%) and Genetic Technologies (19%).

Ellex climbed 33 percent to \$16 million on improved half-yearly revenue and profits and will replace Cathrx in the BDI-40.

BDI-40 v ASX200 Jun 30, 2006 To Feb 29, 2012



OSPREY MEDICAL

Osprey expects to raise \$20 million and list on the ASX in April 2012 to commercialize the Cincor contrast induced nephropathy contrast removal system.

Osprey chief executive officer Mike McCormick told Biotech Daily that Melbourne's Brandon Capital and Brisbane's CM Capital had provided most of the company's funds of about \$20 million to develop the Baker IDI Heart and Diabetes Institute-invented cardiac contrast dye removal system and would take a further \$6 million of the \$20 million initial public offer shares at 40 cents a share, in the form of Chess depositary instruments (CDIs). Mr McCormick said that following the IPO the two funds would own about 60 percent of Osprey, which would be worth about \$40 million.

He said the IPO was underwritten by Shaw Stockbroking.

Mr McCormick said that although the technology was invented in Melbourne and the company would be solely listed on the ASX, Brandon and CM decided to base Osprey in Minneapolis Minnesota, where several major cardiology companies were headquartered including Medtronic, St Jude and Boston Scientific's cardiology division.

Mr McCormick said that although the concept of a vacuum system on a catheter to mop-up potentially toxic contrast dye was simple and elegant, the technology to do it was more difficult.

He said that of the 3.2 million patients world wide undergoing angioplasty or stenting, "25 percent have pre-existing chronic kidney disease" and were at risk of contrast-induced nephropathy, a form of kidney damage caused by the toxic dye used in the procedures.

Mr McCormick said the Cincor system was designed to capture the dye from the heart before it circulated to the kidneys.

He said that the Cincor catheter was inserted in the femoral vein and fed through to the coronary sinus to capture the dye which was being injected into coronary arteries.

Mr McCormick said the Cincor system received Conformité Européenne (CE) mark approval in November 2011 following a clinical trial in Australia, New Zealand and Europe and the funds would support a US Food and Drug Administration 510k investigational device exemption pivotal trial expected to start this year.

Mr McCormick said the 600-patient trial would be randomized two-to-one and be held in the US, Australia, New Zealand and Europe with US approval expected in 2014.

In a media release Osprey said contrast induced nephropathy could result in longer hospitalization, long term dialysis and even increase the risk of death for patients.

The company said that the initial trials showed the Cincor System reduced the risk of a contrast induced nephropathy event by 50 percent.

The company said the Cincor system would benefit patients and save money for hospitals and reimbursement payers.

The company said that it was "a simple, quick, safe and effective way" to treat contrast induced nephropathy, with no competitive alternatives on the market.

The prospectus is available at <http://www.ospreymed.com/investors.php>.

AVITA MEDICAL

Avita says that revenue for the six months to December 31, 2011, was up 23 percent to \$2,618,841 with the net loss after tax up 172 percent to \$2,139,846.

Avita said its net tangible asset backing per share was up 233 percent from 1.5 cents at December 31, 2010 to 5.0 cents at December 31, 2011.

The company said that it had cash and cash equivalents of \$10,832,133 at December 31, 2011 compared to \$2,880,437 at December 31, 2010.

Avita was unchanged at 18 cents.

VIRAX, 4G VACCINES

Virax says it will merge with 4G Vaccines to form a cancer immunotherapeutic company with two clinical stage products.

Virax said 4G's lead product FG-004 was developed at the Burnet Institute in Melbourne and the University of Melbourne and had clinical validation and data supportive of an efficacy signal in breast cancer clinical trials, with broad potential applicability in tumors including breast, prostate, lung, ovarian and colorectal cancers

The company said that FG-004 had been studied in more than 10 investigator-led studies and had generated data supportive of safety and efficacy.

Virax said that a study in breast cancer followed patients for more than 10 years and showed a clear survival advantage for patients who received the prototype vaccine.

The company said that FG-004 was an improved formulation of the prototype and was based on a refined oxidized-mannan (OM) delivery system, conjugated to the MUC- 1 recombinant antigen.

Virax said the merged company would include its skin cancer immunotherapy product TG1042, which was ready to enter phase I/IIa studies in basal cell carcinoma.

The company said the two clinical programs were complementary in profile and timeframe and fitted the expertise and experience of Virax in the field of vaccine clinical development.

Virax said that Lodge Corporate had been appointed as sponsoring broker targeting a capital raise of up to \$8 million and the merger was conditional on convertible note holder and shareholder approval as well as other conditions.

Virax said 4G would be acquired for Virax shares along with the issue of shares which would be consolidated to the equivalent of 20 cents a share.

Virax is in a voluntary suspension and last traded at 0.9 cents.

REVA MEDICAL

Reva chief executive officer Bob Stockman says that the Rezolve bio-resorbable stent scaffold trial is on track, with one-month data expected by May 2012.

Mr Stockman told a teleconference that the device was performing as designed and that 11 sites were recruiting patients for the 50-patient pilot trial.

Mr Stockman said he would not provide individual patient data other than that the first patient had been implanted with the stent and was "doing just fine".

Mr Stockman said the one-month data on 20 to 25 patients would be published at the European Association for Percutaneous Cardiovascular Interventions in Paris in May 2012 and the six-month data would be presented at the Transcatheter Cardiovascular Therapeutics conference in Miami, Florida in October 2012.

Mr Stockman said that pending the results, Reva would proceed to a trial of more than 2,000 patients for Conformité Européenne (CE) mark approval for Europe "later this year" with results and approval hoped for 2014, but a US Food and Drug Administration trial was "some ways off and not a focus of the company this year".

Reva was down 2.5 cents or 4.6 percent to 52 cents.

NUSEP

Nusep says revenue for the six months to December 31, 2011, was up 42 percent to \$1,846,000 with the net profit after tax up 2,241 percent to \$25,000.

The company said that net tangible asset per share was up 41.2 percent to 2.4.

Nusep fell 1.6 cents or 32 percent to 3.4 cents.

PHYLOGICA

Phylogica has appointed Jeremy Curnock Cook as a non-executive director.

Phylogica said that Mr Curnock Cook was an experienced entrepreneur, fund manager, executive and non-executive director in the life science sector.

The company said that Mr Curnock Cook was the executive chairman of International Bioscience Managers and formerly the head of the life science private equity team at Rothschild Asset Management in the UK and an active investor in the Australian life science sector.

Phylogica said that at Rothschild, Mr Curnock Cook was responsible for the launch of the first dedicated biotechnology fund for the Australian market and the launch of a joint venture with Johnson & Johnson Development Corporation for the creation of Healthcare Ventures, an investment vehicle dedicated to seed stage investments in Europe, as well as the conception and launch of the International Biotechnology Trust.

The company said that Mr Curnock Cook specialized in creating value in emerging biotech enterprises, through active participation with management and had served on more than 40 boards of companies listed on the Nasdaq, LSE, TSX and ASX.

Phylogica was up 0.1 cents or 2.6 percent to four cents with three million shares traded.

CONSEGNA

Consegna has appointed Simon Isaacs as a director.

According to Burke's Peerage Mr Issacs is also known as the Marquess of Reading and described by Consegna as 'Lord Reading'.

Consegna said that Mr Isaacs had been a long-standing member of the British House of Lords, a member of the London Stock Exchange and had chaired "numerous public company boards" and was a director and/or trustee of several funds and charitable organizations.

Consega said that founding chief executive officer Peter Abrahamson had resigned, but remained a shareholder and supporter of the company.

Consegna chief executive officer Fabio Pannuti said he had known Mr Isaacs' appointment was a strategic decision based on intentions to expand the company's licencing and development base into the US, European and Russian markets.

Consegna was unchanged at 4.1 cents.

ISONEA

Isona says it has appointed asthma specialist Dr Lynn Taussig to chair its medical advisory board.

Isona said that Dr Taussig was the special advisor to the provost for the life sciences at the University of Denver and the retired president and chief executive officer of the National Jewish Medical and Research Center.

The company said Dr Taussig was the author of more than 180 scientific publications and six books and monographs.

Isona said that for 11 years, he was the chair of the steering committee of the National Institute of Health's Childhood Asthma Research and Education Network.

The company said Dr Taussig was the chairs of another steering committee and two data safety monitoring boards for the National Institute of Health's National Heart, Lung and Blood Institute.

Isona was unchanged at half a cent with two million shares traded.

BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Mar-11	Feb-12	Mar-12
Cochlear	4,386	3,380	3,480
CSL	19,391	16,168	17,026
Resmed	4,773	4,264	4,295
BDI-20			
Acrux	567	569	631
Alchemia	139	88	123
Bionomics	118	162	157
Biota	194	149	139
Clinuvel	67	65	52
Genetic Technologies	40	63	51
Heartware	1,162	878	958
Impedimed	119	84	75
Living Cell	30	16	24
Mesoblast	1,451	1,821	2,171
Nanosonics	220	131	127
Pharmaxis	566	301	318
Phylogica	21	17	17
Prima	196	176	266
QRX Pharma	182	226	266
Sirtex	314	263	281
Starpharma	251	340	396
Sunshine Heart	43	48	57
Tissue Therapies	94	60	60
Universal Biosensors	214	119	121
Second 20			
Allied Health	8	22	22
Anteo	62	55	65
Antisense	8	22	23
Avita	14	30	43
Benitec	18	18	17
Bioniche	159	82	63
Cellmid	11	6	6
Circadian	32	23	23
Compumedics	21	13	13
Ellex	17	12	16
Genera	20	11	13
Neuren	7	29	28
Optiscan	8	15	18
Patrys	23	13	13
Phosphagenics	89	209	204
Prana	38	48	44
Psivida	73	22	21
Reva	416	168	166
Uscom	13	4	5
Viralytics	28	29	28

* Biotech Daily editor, David Langsam, owns shares in Alchemia, Allied Health, Biota, Neuren, Pharmaxis and non-biotechnology stocks. Through Australian Ethical Superannuation he has an indirect interest in Atcor, Avita, Circadian, Pharmaxis and QRX. These holdings are liable to change.

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