



# Biotech Daily

Thursday April 12, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: GENERA UP 10%, PRANA DOWN 9%**
- \* **CANADA APPROVES ACRUX, ELI LILLY AXIRON**
- \* **VIVOPHARM ACQUIRES RMIT TOXICOLOGY TESTING BUSINESS**
- \* **CONSEGNA TO SPIN-OUT ASPEN MEDISYS**
- \* **PATRYS EXECUTIVES US INVESTOR ROAD-SHOW**
- \* **LIFE SCIENCES QUEENSLAND ROAD-SHOW**

## MARKET REPORT

The Australian stock market recovered 0.81 percent on Thursday April 12, 2012 with the S&P ASX 200 up 34.5 points to 4,280.6 points.

Twelve of the Biotech Daily Top 40 stocks were up, 10 fell, 10 traded unchanged and eight were untraded. All three Big Caps were up.

Genera was the best, up two cents or 10 percent to 22 cents with 104,346 shares traded.

Starpharma climbed 5.3 percent; Nanosonics and Sirtex were up four percent or more; QRX was up 3.5 percent; Bionomics, Living Cell, Phosphagenics and Tissue Therapies rose more than two percent; with Alchemia, Anteo, Cochlear, CSL and Resmed up one percent or more.

Prana led the falls, down 1.5 cents or 8.8 percent to 15.5 cents, with 433,263 shares traded.

Optiscan lost 7.7 percent; Psivida was down six percent; Avita and Neuren fell more than four percent; Genetic Technologies was down 3.2 percent; Clinuvel and Mesoblast shed more than two percent; with Universal Biosensors down 1.5 percent.

## ACRUX

Acrux says that Eli Lilly has received approval to market its Axiron testosterone replacement therapy in Canada, the first market outside the US.

Acrux said that Health Canada granted Lilly a marketing authorization for Axiron as a testosterone replacement therapy in adult males for conditions associated with a deficiency or absence of endogenous testosterone or hypogonadism.

The company said it expected to begin earning royalties on net sales of Axiron in Canada during the 2012-'13 financial year.

Acrux said it expected Australian and European marketing decisions this year.

Acrux was up two cents or 0.5 percent to \$3.89.

## VIVOPHARM

Vivopharm has acquired RMIT University's RMIT Drug Discovery Technologies Pty Ltd for a 20 percent shareholding.

A joint media release said that the Royal Melbourne Institute of Technology University's Drug Discovery Technologies (RDDT) was a good laboratory practice-compliant pre-clinical toxicology testing company founded and owned by RMIT.

The media release said RDDT's operations would continue at the University's Bundoora campus, which would become Vivopharm's Australian headquarters.

Vivopharm chairman Dr Ian Nisbet told Biotech Daily that Vivopharm was an Australian company with international operations, originally founded in Adelaide by chief executive officer Dr Ralf Brandt.

Dr Nisbet said that Dr Brandt had temporarily relocated to the US to run the facility in Hershey, Pennsylvania, which opened last year and lead marketing activities.

Dr Nisbet said the transaction was share-based with RMIT receiving 20 percent of Vivopharm in return for Vivopharm receiving 100 percent of the shares in RDDT.

Dr Nisbet said that Vivopharm was a private company with three shareholders, including RMIT and no company valuation had been disclosed.

The media release said that Vivopharm was an oncology-focused provider of integrated pre-clinical pharmacology services, with a sales and marketing office in Munich, Germany to service European customers.

Vivopharm said the addition of RDDT allowed it to expand its suite of toxicology testing services and make them available to its international as well as Australian customers and RDDT had its own "vast network of existing contacts and a strong client base".

The media release said that RMIT, with support from the Victorian Government, established RDDT as a provider of toxicology services in 2004.

The media release said that RMIT initiated a strategic review, through independent adviser Bob Atwill (now chief executive officer of Allied Health's Celxcel division), to take the business to international markets, identifying Vivopharm as a strong partner with suitable administration, infrastructure and international marketing activities.

RDDT chairman Derek Young said that "after six years of development, RDDT is ready to move to the next level of pre-clinical toxicology safety testing".

"We developed a business that has caught the attention of an established, Australian-based but internationally focused company," Mr Young said.

"The addition of RDDT will bring significant growth to Vivopharm," Dr Nisbet said.

"Not only will we derive value from RDDT's established business but relocating the company's headquarters to Melbourne, with the largest concentration of biotechnology companies in Australia, places the company close to many of its existing and potential Australian customers," Dr Nisbet said

## CONSEGNA GROUP

Consegna says it intends to spin-out its recently acquired nano-oncology technology, Aspen Medisys by the end of 2012.

Consegna said it closed the purchase on December 22, 2011 acquiring Aspen Medisys's nanoparticle magnetic thermotherapy technology platform for solid tumors and other pathologies. (BD: Jan 22, 2012).

Consegna said at that time that the transaction included a nominal up-front payment followed by performance and time-dependant milestone payments to be made in the form of Consegna shares, with the first payment, \$1,410,000 in scrip to be made at Consegna's discretion on or before July 1, 2012, with further payments in scrip to the value of \$940,000, \$470,000 and \$470,000.

Today, Consegna said the technology was "one of a number of proposed divestments, now that certain assets are approaching an appropriate value inflection point".

The company said that its shareholders would receive shares from each of these divestitures in the proposed new listings.

Consegna chairman Rod Tomlinson said the company was "reaching our first milestone to profit from one of the newly acquired assets".

"It will capture a major value adding opportunity for shareholders by divesting the asset into a new vehicle, that will have a specific focus on oncology," Mr Tomlinson said.

Consegna said that subject to shareholder and regulatory approval, the Aspen Medisys divestment would be executed by way of demerger and/or initial public offer.

The company said that "as a result of activities in America, we are now in the final stages of assembling a highly credentialed international scientific team and board that shall guide the continued development of this exciting technology".

Consegna said that it expected the new vehicle would raise the necessary capital to progress the development and eventual commercialization of this platform technology, removing the financial and dilutive effect on Consegna shareholders.

Consegna said that new listed company's charter would be to acquire other nano-bio and oncology science whilst developing and monetizing Aspen Medisys.

Consegna's managing director Fabio Pannuti said the plan "to deliver shareholders not only a market return but also shares in divested entities is coming to fruition".

"Consegna is principally an incubation model and insofar as this is the case, historically the sum of the parts exceeds the value of the whole," Mr Pannuti said.

Consegna was up 0.3 cents or 10 percent to 3.3 cents.

## PATRYS

Patrys says it is conducting "a non-deal road-show" in the US to meet sophisticated investors with an interest in antibodies.

Patrys said the road show would also "access the strong networks" of chief executive officer Dr Marie Roskrow and director Suzy Jones.

The company said that Dr Roskrow was formerly a senior director of investment banking in the healthcare group at Lazard Ltd in both the US and Australia, where she developed an extensive network of relationships with senior representatives of funds investing in the biotechnology space as well as key public and private biotechnology and pharmaceutical companies and leading clinical centres in the US, Europe and Asia.

Patrys said that Ms Jones' career spanned more than 22 years, most recently as Genentech's head of business development and currently as the founder and managing partner of DNAink LLC, a life sciences business development and licencing firm.

Patrys was unchanged at three cents.

## LIFE SCIENCES QUEENSLAND

Life Sciences Queensland is conducting a road-show around Australia from April 16 to April 23, 2012 to promote the State of Queensland and its biotechnology companies.

The Queensland biotechnology industry organization said the road-show would be hosted by Price Waterhouse Coopers (PWC) with presentations from members companies DSM Biologics, ERA Consulting, Pharmasynth, and Q-Pharm.

Life Sciences Queensland (LSQ) said the road-show would give attendees the opportunity to meet with experts from a range of companies from the financial and life science sectors. LSQ said that speakers would address issues relating to drug development from an Australian perspective, in a global context, as well explaining opportunities to access the research and development tax credit to help finance early development stages, services for reaching critical non-clinical and clinical milestones, and addressing crucial factors for value generation.

The industry organization said that the road-show was “an excellent opportunity to meet with experts from a range of companies already operating in the smart state and who are currently servicing the global life sciences industry”.

LSQ chief executive officer Mario Pennisi said that prior to the “pilgrimage to BIO” in the US, it was an opportune time to meet with stakeholders across Australia to remind them of the relative buoyancy and of the opportunities in the industry in Australia and to reinforce Queensland’s leading role in the Australian industry and the expected continued momentum following the change of State Government following the recent election.

Speakers include Mr Pennisi, ERA Consulting’s Dianne Jackson-Matthews, DSM Biologics’ Marc Goemans, Pharmasynth’s Les Tillack and Q-Pharm’s Terry Hurst.

The roadshow will be held in the offices of Price Waterhouse Coopers with speakers from each office addressing the road-show.

The Life Sciences Queensland meeting will be in Adelaide, April 16; Melbourne, April 17; Sydney, April 19; and Brisbane April 23, 2012.

For further information go to: <http://www.lsq.com.au/Events.aspx>.