



Biotech Daily

Tuesday May 15, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ANTISENSE UP 13%, BIONOMICS DOWN 9%**
- * **VERVA VVP808 PAPER SHOWS NEW MODE OF DIABETES ACTION**
- * **HEALTHLINX TAKES OVPLEX OVARIAN CANCER TEST TO INDIA**
- * **NOVOGEN'S MARSHALL EDWARDS RAISES \$5.2m**
- * **IMMUNEXPRESS APPOINTS ROBERT LILLEY DIRECTOR**
- * **ALLAN GRAY (ORBIS) TAKES 8% OF NANOSONICS**
- * **ALLAN GRAY TAKES PROFIT, REDUCES TO 5% OF ACRUX**
- * **AMP TAKES 7.4% OF ACRUX**
- * **BIO-MELBOURNE BRIEFING ON OPEN INNOVATION MODELS**

MARKET REPORT

The Australian stock market fell 0.71 percent on Tuesday May 15, 2012 with the S&P ASX 200 down 30.7 points to 4,266.3 points.

Nine of the Biotech Daily Top 40 stocks were up, 23 fell, five traded unchanged and three were untraded.

Antisense was the best, up 0.2 cents or 13.3 percent to 1.7 cents with 6.5 million shares traded, followed by Avita up 10.6 percent to 26 cents with 556,003 shares traded.

Compumedics climbed 5.3 percent; Nanosonics, Prana, Resmed and Viralytics were up three percent or more; Psivida was up one percent; with Acrux, Cochlear and Heartware up by less than one percent.

Bionomics led the falls, down three cents or 8.6 percent to 32 cents with 288,614 shares traded, followed by Optiscan down eight percent to 9.2 cents with 174,187 shares traded.

Impedimed lost 7.35 percent; Circadian was down 6.4 percent; Cellmid, Ellex and Phosphagenics fell more than five percent; Clinuvel, Genera, Neuren, Starpharma and Tissue Therapies lost four percent or more; Alchemia, Allied Health and Pharmaxis were down more than three percent; Anteo, Biota and Sirtex shed more than two percent; CSL, Genetic Technologies and Living Cell were down more than one percent; with Mesoblast and QRX down by less than one percent.

VERVA PHARMACEUTICALS

Verva says that its VVP808 (methazolamide) in combination with metformin increases glucose-lowering efficacy relative to the individual components alone in rodents.

Verva director Prof Michael Cowley told Biotech Daily that the importance of the research was that VVP808 was an insulin sensitizer and demonstrated a new mechanism of action in diabetes.

Verva said the pre-clinical results on the anti-diabetic effect of its VVP808 were expected to be published in a paper in Diabetes, a journal of the American Diabetes Association.

Verva said the manuscript, entitled 'Methazolamide is a New Hepatic Insulin Sensitizer that Lowers Blood Glucose In Vivo' reported detailed pre-clinical studies conducted by the Geelong-based Deakin University's Department of Medicine and collaborators at the University of Melbourne and Melbourne's Austin Hospital.

The company said that the results demonstrated that VVP808 (methazolamide) acted as an insulin sensitizer that suppressed endogenous glucose production in rodent models of diabetes.

Verva said that the anti-diabetic effect of methazolamide did not appear to be a function of its known activity as a carbonic anhydrase inhibitor, suggesting a new mode-of-action in diabetes.

The company said that the methazolamide-metformin combination increased glucose-lowering efficacy relative to the individual components alone.

Verva chief executive officer Vince Wachter said that the Diabetes publication "represents a tremendous body of detailed and thoughtful work by Prof Ken Walder, Dr Nicky Konstantopoulos and their team and collaborators".

Verva said that an abstract of the journal article was available at:

<http://diabetes.diabetesjournals.org/content/early/2012/05/08/db11-0578.abstract>.

Verva is a public unlisted company spun-out from Chemgenex.

HEALTHLINX

Healthlinx says distribution partners Inex Innovations Exchange and Metropolis Healthcare expect to sell its Ovplex ovarian cancer test in India from August 1, 2012.

Healthlinx said Ovplex will be available in Mumbai from August with extension of distribution through all major Indian cities over the following six months.

The company said that Metropolis Healthcare was founded by Dr Sushil Shah in 1981 and was India's leading multinational chain of 85 diagnostic centres with 600 collection centres across India, Sri Lanka, South Africa and the Middle East.

Healthlinx said that the expansion of jurisdictions in Asia for Ovplex was prompted by "excellent market acceptance and growth in Singapore and Malaysia where it has been on the market since October 2010".

The company said that since 2010, Inex had exceeded expected sales targets by about 25 percent and continued to increase.

Healthlinx said that with Inex it was exploring private insurance reimbursement on the test, which would further increase sales.

Healthlinx managing director Nick Gatsios said the expansion was "an excellent result for women in India who will shortly have access to Ovplex".

Healthlinx said that plans to expand into other jurisdictions to which Inex has an option in their distribution agreement, including Indonesia and Thailand would be announced in due course.

Healthlinx was up 0.1 cents or 14.3 percent to 0.8 cents with nine million shares traded.

NOVOGEN

Novogen US subsidiary Marshall Edwards says its one-for-two rights issue raised \$US5,200,000 and it will issue 5,800,000 US common shares and warrants for 2.9 million shares.

Following the share issue Novogen will be a 63.5 percent shareholder in Marshall Edwards.

Novogen was up half a cent or five percent to 10.5 cents.

IMMUNEXPRESS (FORMERLY ATHLOMICS)

The Brisbane and Seattle Washington-based Immunexpress has appointed Robert McG Lilley as a non-executive director.

Formerly known as Athlomics, in 2010, the private molecular diagnostic company launched what it described as “the world’s first immune system gene expression test for the diagnosis of severe infections” or sepsis, with Brisbane’s Mater Pathology.

The company was earlier awarded \$250,000 by Commercialisation Australia for the Septicyte product which it said was “a molecular biomarker-based sepsis diagnostic test, ... faster [less than three hours] and more accurate (85 to 95% performance) than all competitors” (BD: Jul 14, 20, 2010).

Today, Immunexpress said that Mr Lilley joined the four member board of chairman Dr Jonathan Sackier, Commercialisation Australia chairman Dr Laurie Hammond and Immunexpress chief executive officer Dr Roslyn Brandon.

Immunexpress said that Mr Lilley’s 40 year career “focused on providing patients and healthcare professionals with novel tools to address unmet diagnostic and management needs for patients and physicians”.

The company said Mr Lilley had experience as a senior sales and marketing executive and entrepreneur in biotechnology and clean technologies.

Immunexpress said Mr Lilley was on the board of trustees at Stanford University’s Center for Advanced Studies in Behavioral Sciences, as well as the boards of Clean Engines Inc and Terra Global Capital.

The company said Mr Lilley was previously Digene Corp’s head of sales and marketing from its initial public offering until the company was acquired by Qiagen NV in 2007, when he was appointed Qiagen’s senior advisor for developing world molecular diagnostics.

Immunexpress said that Mr Lilley was previously TDS Healthcare Information Systems’ head of Europe, Middle East, and Africa sales and marketing.

The company said he had acted as a consultant to Impedimed and Vertex Pharmaceuticals.

Immunexpress said Mr Lilley held a Bachelor of Arts in political science from Yale University.

Immunexpress is a private company.

NANOSONICS

Allan Gray Australia, formerly Orbis Investment Management, has become a substantial shareholder in Nanosonics with 20,000,000 shares or 7.69 percent of the company.

Allan Gray said that it bought the shares on May 4 for \$10,600,000 or 53 cents a share.

Earlier this month Nanosonics’ placement to institutional and sophisticated investors raised \$15.5 million and was led by Allan Gray with Shaw Corporate as participating broker (BD: May 4, 2012).

Nanosonics was up two cents or 3.85 percent to 54 cents.

ACRUX

Allan Gray Australia has reduced its substantial holding in Acrux from 10,059,941 shares (6.04%) to 8,088,453 shares (4.86%).

Allan Gray said that it sold 1,971,488 shares on May 9 and 10, 2012 for \$8,181,675 or an average price of \$4.15 a share.

Allan Gray (Orbis) has been reducing its holding and taking profit in Acrux since November 2010, when it sold 2,652,890 shares of its 29,731,141 share holding at an average price of \$3.06 a share (BD: Nov 4, 2010).

Prior to November 2010 Orbis last acquired 2,247,369 Acrux shares between July 18, 2008 and October 27, 2010 for \$2,037,837 or an average price of 90.7 cents a share. Acrux was up one cent or 0.2 percent to \$4.17 with 894,597 shares traded.

ACRUX

AMP and related bodies have increased their substantial shareholders in Acrux from 10,438,799 shares (6.27%) to 12,352,641 shares (7.42%).

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says an expert panel will discuss open innovation models used by their organizations at its May 24, 2012 Bio-Briefing.

The Bio-Melbourne Network said that open innovation or open source had been used by the information technology industry for many years and was being used in other sectors.

The Network said that the University of New South Wales commercialization arm, New South Innovation last year adopted its 'Easy Access IP' open innovation model, which involved the free licencing of specific intellectual property assets and other Australian universities were looking to adopt similar open innovation models.

The Network said that there were examples of open innovation commercialization models being adopted by pharmaceutical companies and while the models varied between sectors and companies, the overall objective was the same, to commercialize technology innovations.

Bio-Melbourne Network chief executive officer Michelle Gallaher said that it was "unclear whether open innovation offers a robust commercialization approach in the high risk and capital intensive development of new drug discoveries".

The Network said the expert panel would analyze the legal and commercial implications of open source information, followed by an interactive panel discussion.

The Network said that the speakers and panelists included New South Innovation chief executive officer Dr Kevin Cullen, Merck Sharp & Dohme licencing and external research director Dr Phil Kearney, Pfizer's head of strategic alliances Dr Dan Grant and Davies Collison Cave patent attorney Mark Roberts.

Registration is from 3:45pm, presentations and panel from 4pm, followed by networking drinks.

For more information and to book, go to: <http://www.biomelbourne.org/events/view/230>.