



Biotech Daily

Friday May 18, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ALLIED HEALTH UP 13%, AVITA DOWN 10%**
- * **REVA REPORTS NO ADVERSE EVENTS IN STENT PILOT TRIAL**
- * **NUSEP RAISES \$200k IN PLACEMENT OF PREVIOUSLY ISSUED SHARES**
- * **RESMED TO PAY 1st DIVIDEND; SEARCH FOR CEO**
- * **2nd US PATENT FOR BPH'S CORTICAL DYNAMICS BRAIN MONITOR**
- * **ACUVAX TAKES 51% OF BIOHEALTH COMPLEMENTARY MEDICINES**
- * **TANG WEN SENG REDUCES TO 10.4% OF AGENIX**

MARKET REPORT

The Australian stock market fell 2.67 percent on Friday May 18, 2012 with the S&P ASX 200 down 110.9 points to 4,046.5 points.

Six of the Biotech Daily Top 40 stocks were up, 23 fell, eight traded unchanged and three were untraded. All three Big Caps fell for the third trading day in a row.

Allied Health was the best, up 0.3 cents or 13.0 percent to 2.6 cents with 697,308 shares traded, followed by Reva up 10.8 percent to 66.5 cents with 1.5 million shares traded.

Cellmid climbed 6.25 percent; Living Cell was up 5.3 percent; Biota was up 3.7 percent; with Sirtex up 0.85 percent.

Avita led the falls, down 2.5 cents or 9.6 percent to 23.5 cents with 422,614 shares traded, followed by Prima down 9.1 percent to 15 cents with 4.2 million shares traded.

Bioniche lost 6.2 percent; Benitec and Compumedics fell more than five percent; Alchemia and Mesoblast lost more than four percent; Phosphagenics and Universal Biosensors were down more than three percent; Anteo, Circadian, Clinuvel, Cochlear, Heartware, Nanosonics, Phylogica and Starpharma shed two percent or more; Acrux, Genetic Technologies, Impedimed, Pharmaxis, Psivida, QRX and Tissue Therapies were down more than one percent; with CSL and Resmed down by less than one percent.

REVA MEDICAL

Reva says that with 16 patients enrolled in its 50-patient pilot trial there have been no ischemic target lesion revascularizations, myocardial infarctions or stent thromboses. Reva told the European Course on Revascularization, stent meeting in Paris, France that the first enrolled patient was approaching five months and all patients were doing well. Reva said the results were presented by principal investigator Dr Alexandre Abizaid from Sao Paulo Brazil's Dante Pazzanese Institute de Cardiologie, who implanted the first Rezolve scaffold in December 2011.

"In this preliminary analysis, the device has demonstrated its ability to maintain lumen patency during the critical early healing period, and this experience was noted across several sites and investigators," Dr Abizaid said.

Dr Abizaid said that Reva would move to a 20 percent lower profile sheathless delivery system, called Rezolve2, for the Conformité Européenne (CE) mark trial.

The company said that it had adopted a pilot trial strategy "with very tight patient inclusion criteria to ensure patient safety, yet provide enough enrolled patients to demonstrate sufficient product performance".

Reva said that "after carefully reviewing patient data generated to date, the company has concluded that the current patient cohort ... has met the objectives of the pilot trial".

The company said it would continue to enroll more patients in the pilot trial, but would conclude enrollment no later than June 30, 2012.

Earlier this year Reva chief executive officer Bob Stockman said that 11 sites were recruiting patients for the 50-patient pilot trial with one-month data on 20 to 25 patients to be published at the Paris conference (BD: Mar 1, 2012).

Today Mr Stockman said the company was "very pleased with the results to date".

"The scaffold is performing well and physicians commented that they appreciated Rezolve's visibility under x-ray as well as the scaffold's sizing range, two very distinctive features of Rezolve's fully bio-resorbable polymer scaffold," Mr Stockman said.

"Rezolve2 is a thinner more easily deliverable device because it does not require a protective sheath," Mr Stockman said. "We believe that by improving deliverability we will significantly speed up the rate of patient enrollment in our upcoming CE trial."

"Rezolve2 will be the product we commercialize," Mr Stockman said.

Reva was up 6.5 cents or 10.8 percent to 66.5 cents with 1.5 million shares traded.

NUSEP

Nusep says it has raised \$200,000 through the placement of 2,857,142 previously issued shares, at seven cents each.

Nusep said the shares were transferred from the 4,869,826 shares held in its share suspense account, created following advice from the Australian Securities and Investments Commission last year (BD: Dec 12, 2011).

The company said that ASIC had instructed it to sell 7,377,850 shares issued for its Bioinquire acquisition and to cover the balance of shares in placements to itself and also held 1,183,882 options in itself and the holdings were a breach of Corporations Act. In March, Nusep said that so far ASIC had taken no action against the company but reserved its right to do so (BD: Mar 6, 2012).

Today, Nusep said the placement would not increase its issued capital as they were previously issued shares and the suspense account had been reduced to 2,012,684 shares.

Nusep was unchanged at four cents.

RESMED

Resmed says it will pay its first dividend of 17 US cents a share, in the three months following July 1, 2012, subject to board approval.

Resmed said it would pay the dividend in US currency to holders of its New York Stock Exchange common stock and holders of Australian Chess Depositary Instruments (CDIs) would receive an Australian equivalent, based on the exchange rate on the record date and reflecting the 10-to-one ratio between CDIs and US shares.

The company said the dividend was expected to be unfranked for Australian tax purposes.

Resmed chairman and chief executive officer Dr Peter Farrell said that the company had used "some of our cash to invest in our business through increased research and development, market development, acquisitions and capital expenditures".

"We have also used some of our cash to repurchase shares," Dr Farrell said.

"We expect to continue all these activities in the future," Dr Farrell said.

"Even with these investments, we have sufficient funds for strategic opportunities and to operate our business and therefore, we are initiating a dividend for our shareholders," Dr Farrell said.

Resmed said it was continuing its process for chief executive officer succession and the board had requested that Dr Farrell remain as chief executive officer until the end of 2013. The company said that internal chief executive officer candidates would be evaluated and when suitable candidates had been selected they would be evaluated against potential external candidates, with the process expected to be completed by the end of 2013.

Last year, Resmed's then chief executive officer of three years, Kieran Gallahue, unexpectedly resigned to take on the role of chairman and chief executive officer of Carefusion (BD: Feb 2, 2011).

Resmed fell three cents or 0.9 percent to \$3.26 with six million shares traded.

BPH ENERGY

BPH Energy says its 3.6 percent subsidiary Cortical Dynamics has been granted a key US patent for to its brain anaesthesia response (BAR) monitor.

The company said the patent entitled 'patent entitled 'Brain function monitoring and display system' was valid to November 2028 and added to existing patents awarded in Australia, New Zealand, China, Japan and the US.

BPH said that the monitor used an electroencephalogram to measure brain electrical activity to indicate how deeply anaesthetized a patient was during an operation.

BPH and Cortical chairman David Breeze said the company was "very pleased with the granting of the second US patent".

"The US is the largest EEG brain function monitoring market by country, and the grant of this second US patent significantly strengthens Cortical's [intellectual property] and commercial strategy," Mr Breeze said.

BPH said that Cortical Dynamics was established in 2004 to commercialize the monitor developed by Prof David Liley's team at Melbourne's Swinburne University of Technology.

BPH said that Cortical Dynamics had applied to list on the ASX and the offer closing date had been extended to June 30, 2012.

In March, Cortical Dynamics began a clinical trial to validate the monitor at Melbourne's St Vincent's Hospital (BD Mar 15, 2012).

Last year, Cortical Dynamics announced plans to raise up to \$4 million and list on the ASX to commercialize the monitor, but the initial public offer has been extended several times (BD: Jun 3, 2011).

BPH was unchanged at 2.2 cents.

ACUVAX

Acuvax says that following due diligence and securing regulatory approvals, it has secured a controlling stake in Biohealth Pty Ltd.

Acuvax said that Biohealth was focused complementary medicines comprising natural non-toxic ingredients and its first product Provent had been listed by the Australian Therapeutic Goods Administration on the Register of Therapeutic Goods as a complementary medicine with the claim: 'Helps Maintain Healthy Respiratory Function'. Acuvax said that Biohealth had been selling Provent capsules "in a limited capacity over the past two years from a modest financial base" and its investment was intended to see it move beyond breakeven and to sustained profitability.

Acuvax said it saw value in the Biohealth name, trademark and domain name Biohealthlimited.com for future expansion opportunities because "biohealth" was used synonymously in reference to the bio-pharmaceutical and complementary and alternative medicine industry.

Acuvax said the injection of capital would help Biohealth increase sales in overseas markets and explore other illness-specific medicines from its platform formulation.

Acuvax said it had paid a \$10,000 option fee and would pay the balance of \$85,903 to hold 51 percent of Biohealth, with an option to acquire an additional 10 percent by paying a further \$100,000 within six months and a second option for a further 19 percent by paying \$200,000 within two years of increasing its holding to 61 percent.

Acuvax said it could move to a total shareholding of 80 percent of the subsidiary.

Acuvax said Biohealth's business plan would be accelerated or expanded to encompass clinical trials, as appropriate milestones were achieved, and it had the option to continue contributing and acquiring greater ownership as success dictated.

In January Acuvax said it would acquire an Israeli, non-invasive, early detection diagnostic technology for more than 200 illnesses, subject to due diligence (BD: Jan 25, 2012).

Acuvax was formerly known as Avantogen and before that as Australian Cancer Technology.

In February 2011, Acuvax changed its ownership, board and management (BD: Feb 9, 2011) and following the Merck Sharp and Dohme acquisition of the biotechnology assets of 26 percent subsidiary Hawaii Biotech (BD: Jul 23, 2010) and failure of the cancer drug RP101 (BD: Oct 6, 2009), the company saw the departure of majority shareholder Dr Richard Opara (BD: Nov 16, 2010).

Acuvax was untraded at 0.1 cents.

AGENIX

Tang Wen Seng of Hong Kong has reduced his substantial shareholding in Agenix from 90,000,000 shares (11.90%) to 80,000,001 shares (10.44%).

Mr Tang said he sold the 9,999,999 shares for \$100,000 or one cent each on February 24, 2012.

Agenix was unchanged at 0.6 cents.