



Biotech Daily

Tuesday July 10, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN:
- SUNSHINE HEART UP 44%, ALLIED HEALTH DOWN 13%**
- * **BENITEC ddRNAi LICENCE TO DUBLIN'S GENABLE FOR EYE DISEASE**
- * **SUNSHINE HEART PLEADS MEDIA REPORTS TO 200% PRICE RISE**
- * **EASTLAND CONVERTIBLE NOTES TO RAISE \$760k**
- * **HEARTWARE APPOINTS PETER MCAREE CHIEF FINANCIAL OFFICER**

MARKET REPORT

The Australian stock market fell 0.49 percent on Tuesday July 10, 2012 with the S&P ASX 200 down 20.3 points to 4,098.0 points.

Eleven of the Biotech Daily Top 40 stocks were up, 11 fell, nine traded unchanged and nine were untraded.

Sunshine Heart was the best for the second trading day in a row, closing up 1.1 cents or 44 percent at 3.6 cents with 6.7 million shares traded (see below).

Impedimed climbed 9.4 percent; Antisense was up 8.7 percent; Clinuvel climbed 7.6 percent; Prima was up 4.55 percent; Heartware and Tissue Therapies were up more than three percent; Phylogica rose 2.7 percent; with Acrux, CSL, Resmed, Reva and Universal Biosensors up by less than one percent.

Allied Health led the falls, down 0.3 cents or 13.0 percent to two cents with 821,127 shares traded.

Viralytics fell 7.9 percent; Anteo and Phosphagenics lost more than six percent; QRX was down 5.6 percent; Alchemia, Circadian and Mesoblast shed more than two percent; Pharmaxis was down 1.9 percent; with Biota, Cochlear and Sirtex down by less than one percent.

BENITEC BIOPHARMA

Benitec says it has licenced its ddRNAi technology to Genable Technologies for the eye disease rhodopsin-linked autosomal dominant retinitis pigmentosa.

Benitec said the Dublin, Ireland-based Genable had the right to use the ddRNAi technology to target genes identified as significant therapeutic targets to treat rhodopsin-linked autosomal dominant retinitis pigmentosa (RHO-adRP).

The company said the terms of the licence were “commercial in confidence ... [but] within expected guidelines for biotech companies in the early stage of development”.

Benitec said the agreement gave Genable an option to acquire an additional exclusive licence to its ddRNAi technology for a further ophthalmic disease.

Benitec said Genable was a privately held, venture-backed biotechnology company, which had been working on retinal degenerative disease for more than 20 years and had a particular interest in developing new gene medicines to treat dominant genetic diseases, such as RHO-adRP.

Benitec said that RHO-adRP was a designated orphan disease affecting about one in 30,000 people, with about 19,000 patients in the European Union and no currently available treatments.

The company said that patients with the disease suffered from severe visual dysfunction as a result of the death of the rod and cone photoreceptor cells.

Benitec said the disease was caused by any one of more than 100 inherited defects in the rhodopsin gene making a single treatment very difficult.

The company said that Genable’s approach used ddRNAi to develop a single therapy that could be used to treat patients with RHO-adRP regardless of which one of the RHO mutations caused the disease.

Benitec said the treatment involved suppression of both the mutant and normal genes and replacement with a normal RHO gene modified to be resistant to ddRNAi gene silencing.

The company said the program had established proof-of-concept studies in a mouse model of the disease, with results reported at the World Gene Therapy Congress in May 2012 in London.

An article on the disease and treatment study entitled ‘Suppression and Replacement Gene Therapy for Autosomal Dominant Disease in a Murine Model of Dominant Retinitis Pigmentosa’ published in the American Society of Gene & Cell Therapy in 2011 is available at: http://www.genable.ie/publications/Molecular_Therapy_2011.pdf.

Genable chief executive officer Jason Loveridge said that his company was “delighted to have completed this agreement with Benitec Biopharma which gives us certainty around our freedom to utilise ddRNAi for this purpose”.

“We look forward to continuing the development of our novel therapeutics for the treatment of RHO-adRP utilising Benitec Biopharma’s ddRNAi-based gene silencing technology,” Mr Loveridge said.

Benitec chief executive officer Dr Peter French said his company was “very pleased to have executed this first licencing deal with a small biotech”.

“Genable’s novel approach to treatment of a genetic disease based on ddRNAi is further validation of Benitec’s unique technology,” Dr French said.

“Companies such as Genable and others who see the potential of ddRNAi to transform medical treatment in a range of diseases are great advocates for helping to get the message out that Benitec Biopharma’s ddRNAi technology has the potential to revolutionize treatment of currently untreatable diseases,” Dr French said.

Benitec was unchanged at 1.7 cents with 3.6 million shares traded.

SUNSHINE HEART

Sunshine Heart has told the ASX that it was not aware of any information it had not announced which, if known, could explain recent trading in its securities.

Sunshine Heart's share price on the Nasdaq climbed 220.6 percent in two trading days, from \$US3.01 on Friday, up 65.8 percent to \$US4.99 and up a further \$US4.66 or 93.39 percent last night to close at \$US9.65 on strong volumes.

Sunshine Heart chief executive officer Dave Rosa told Biotech Daily there had been several reports in the US media and one identified earlier news on MSN Money and Fox Business, noting the company was expecting Conformité Européenne (CE) mark approval, its first commercial sales and a US registration trial later this year.

On the ASX yesterday, Sunshine Heart was up 0.3 cents or 13.6 percent to 2.5 cents, with 80,000 shares traded (BD: Jul 9, 2012). Yesterday morning there were three buyers for 1,000,000 shares each and few sellers, but in the afternoon the buyers disappeared.

Today, Sunshine Heart climbed as much as 1.9 cents or 76 percent to 4.4 cents before closing up 1.1 cents or 44 percent at 3.6 cents with 6.7 million shares traded.

The company has climbed a total of 1.4 cents or 63.6 percent on the ASX in two days.

EASTLAND MEDICAL SYSTEMS

Eastland says it hopes to raise up to \$760,000 through the issue of secured convertible notes and had expressions of interest for the full amount.

The company said it issued \$1.75 million in convertible notes on 2009 with an expiry date of June 30, 2012 and at expiry the balance of the 2009 notes was \$701,000.

Eastland said the proceeds of the 2012 convertible note would in part retire the 2009 notes and provide working capital and for the further development of the Artimist sublingual malaria treatment project.

The company said notes would have a face value of \$1.00 with an interest rate of eight percent, converting at two cents each and each convertible note would come with 40 unlisted options exercisable at five cents by June 30, 2014.

The company said that director Michael Stewart confirmed an indirect interest in acquiring \$150,000 of the 2012 convertible note, subject to shareholder approval.

Eastland was up 0.3 cents or 25 percent to 1.5 cents.

HEARTWARE INTERNATIONAL

Heartware says it has appointed Peter McAree as senior vice-president, chief financial officer and treasurer, effective immediately.

Heartware said Mr McAree was most recently senior vice-president and chief financial officer of Caliper Life Sciences, prior to its acquisition by Perkin Elmer in November, 2011.

Heartware said Mr McAree had more than 25 years of financial management and public accounting experience and was Zymark's chief financial officer prior to its merger with Caliper in 2003 and began his career with Arthur Andersen LLP in Boston.

Heartware thanked finance vice-president Lauren Farrell for her stewardship during the past six months and her continued leadership in finance.

Heartware was up eight cents or 3.3 percent to \$2.48.