Biotech Daily

Monday July 16, 2012

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: SUNSHINE HEART UP 16%, LIVING CELL DOWN 9%**

*** TISSUE THERAPIES EU APPROVAL, VITROGRO SALES THIS MONTH**

*** PATRYS EGM FOR PLACEMENT, DIRECTORS' SHARES**

*** CONSEGNA $6m LIND FACILITY, TRIPLE A $5m UPFRONT LICENCE FEE**

MARKET REPORT

The Australian stock market climbed 0.56 percent on Monday July 16, 2012 with the S&P ASX 200 up 22.9 points to 4,105.1 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 11 fell, seven traded unchanged and six were untraded.

Sunshine Heart was the best for the fifth of six trading days, up 0.8 cents or 16.3 percent to 5.7 cents with 10.2 million shares traded, followed by Ellex up 10.3 percent to 16 cents with 35,000 shares traded.

Psivida climbed 7.1 percent; both Genetic Technologies and Phylogica were up five percent; Pharmaxis was up 4.5 percent; Reva and Universal Biosensors were up more than three percent; Alchemia and Starpharma rose two percent or more; Acrux, Anteo, Biota and Clinuvel were up one percent or more; with CSL, Resmed and Sirtex up by less than one percent.

Living Cell led the falls, down half a cent or 9.1 percent to five cents with 254,000 shares traded, followed by Antisense down 0.2 cents or 8.7 percent to 2.1 cents with 80.1 million shares traded.

Both Allied Health and Avita lost 5.3 percent; Prima fell 4.55 percent; Circadian was down 3.75 percent; Nanosonics, Optiscan and Tissue Therapies shed more than two percent; Cochlear was down 1.6 percent; with Heartware and QRX down by less than one percent.

TISSUE THERAPIES

Tissue Therapies says the British Standards Institute has advised that the Vitrogro wound treatment conforms to requirements of the European Union Medical Devices Directive.
Tissue Therapies said the advice means that the requirements for Conformité Européenne (CE) mark approval of Vitrogro extra-cellular matrix (ECM) hade been satisfied and that formal approval was expected shortly.
The company said that Vitrogro ECM was a topically applied, biomimetic scaffold, comprising a synthetic extra-cellular matrix protein, which the company's research team at Queensland University of Technology developed, creating "a fundamentally new" molecule for wound repair (BD: Aug 22, Oct 24, 2006).
Tissue Therapies chief executive officer Dr Steven Mercer told Biotech Daily that he expected the formal final approval certificate to be issued by the end of this month with sales beginning immediately on receipt of the certificate.
In a media release to the ASX Dr Mercer said that Vitrogro ECM would be approved in the EU "for broad applications in wound care which will open up a series of significant market segments for the company's initial product".
"Importantly, Vitrogro ECM will be approved for the treatment of all hard to heal wounds, primarily venous ulcers," Dr Mercer said.
"This includes burns and acute injuries in patients who have compromised healing, as well as diabetic, venous and pressure ulcers," Dr Mercer said.
Dr Mercer said the British Standards Institute confirmed that the examination of the design dossier was complete and all examiner questions were answered to its satisfaction and two of the senior BSI staff commented that the high quality of the Tissue Therapies' CE mark submission had impressed the examiners.
"We are advised by BSI that the remaining process for issuing the final certificate is a routine matter," Dr Mercer said.
Dr Mercer said the company would receive a draft CE mark conformity certificate from BSI for confirmation of details and following the confirmation of those details, the final certificate would be issued, subject to BSI staff availability, allowing sales to begin.
"We therefore expect to receive the formal CE mark certificate within the coming weeks," Dr Mercer said.
"Sales and distribution resources are poised for the immediate start of the Vitrogro ECM rollout campaign in the UK and initial European markets," Dr Mercer said.
Tissue Therapies fell one cent or 2.1 percent to 46 cents with 1.8 million shares traded.

PATRYS

Patrys investors will vote on a prior $2 million placement at two cents a share and the right of non-resident directors Michael Stork and Suzy Jones to buy 5,000,000 shares.
Patrys said it wanted shareholder approval for the prior issue of 50,000,000 placement shares; 50,000,000 shares to institutional and sophisticated investors; 50,000,000 options to Forrest Capital, exercisable at five cents each by June 30, 2014; 2,500,000 shares to Stork Holdings; and 2,500,000 shares to Ms Jones (BD: Jun 22, 2012).
The meeting will be held at the offices of Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square, Sydney, on August 15, 2012 at 11am (AEST).
Patrys was unchanged at two cents.

CONSEGNA GROUP

Consegna has come out of a trading halt to announce a draw down equity facility and a letter of intent for distribution services with Grand Cayman-registered Triple A Holdings.

Consegna said Triple A was an investment company that would assist with the distribution of Breatheassist products.

The company said that the parties intended to enter into a definitive agreement by September 30, 2012 "which will call for the payment of $5 million for a global licence and guaranteed minimum 25 percent gross profit payments of $3 million on the second anniversary of the agreement, $5 million on the third, $7 million on the fourth and $10 million on the fifth to Consegna".

Consegna said that Triple A would be responsible for the funding of the marketing and distribution globally.

Consegna said Triple A was owned by "a foreign institutional investor" and full particulars would be set out following a definitive agreement.

Consegna said it had a 24 month, equity draw-down funding agreement for up to $5,675,000 with the Australian Special Opportunity Fund, a New York-based institutional investor managed by the Lind Partners.

The company said it would issue Lind an unsecured convertible security with a face value of $400,000 and a term of 24 months at a zero percent interest rate.

Consegna said that over the 24 months, a minimum of $75,000 of shares would be purchased by Lind from Consegna, approximately monthly at 90 percent of the three-day volume weighted average price, but the company could elect not to issue shares if the issue price would be less than an agreed floor price.

The company said that Lind would be granted 10,000,000 options exercisable at 120 percent of the 20-day volume weighted average price immediately prior to the date of the agreement and it would pay Lind a commencement fee of 8,869,180 shares.

Consegna said the agreement allowed it to carry out additional private placements of equity, rights issues and shareholder purchase plans and contained provisions requiring the approval of shareholders, but not for the initial funding.

Consegna chief executive officer Fabio Pannuti said the company was "delighted to be monetizing Breatheassist through the agreement with Triple A Holdings and look forward to completing the definitive agreement shortly".

Mr Pannuti said the agreement would deliver $5 million in non-dilutive funding and "the opportunity to derive significant global royalty income whilst simultaneously preserving the opportunity for Consegna to participate in the proceeds of any future sale of this exciting product".

Consegna fell 0.1 cents or four percent to 2.4 cents.