



Biotech Daily

Tuesday July 31, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: GENETIC TECHNO UP 14%, IMPEDIMED DOWN 10%**
- * **PSIVIDA RETURNS TO BIOSILICON - FOR EYE DISEASES**
- * **BIOTA'S INAVIR Q4 ROYALTY UP 25%, YEAR-TO-DATE UP 47.3%**
- * **BLACKROCK SELLS BELOW SUBSTANTIAL IN CSL**
- * **PHARMAUST \$1m PLACEMENT; RETURNS FROM MINING FORAY**
- * **PAPERS BACK USCOM FOR HYPERTENSION IN PREGNANCY**
- * **SUNSHINE HEART HAS LESS THAN ONE QUARTER CASH; \$28m RAISING**
- * **ATCOR HAS LESS THAN TWO QUARTERS CASH; MORE COMING**
- * **CATHRX HAS ONE QUARTER CASH; \$1m LOAN; MORE COMING**
- * **JAMES RAE REPLACES BIONICHE CHAIRMAN GRAEME MCRAE**

MARKET REPORT

The Australian stock market climbed 0.55 percent on Tuesday July 31, 2012 with the S&P ASX 200 up 23.5 points to 4,269.2 points. Sixteen of the Biotech Daily Top 40 stocks were up, 14 fell, seven traded unchanged and three were untraded. All three Big Caps were up.

Genetic Technologies was the best, up 1.5 cents or 14.3 percent to 12 cents with 68,150 shares traded, followed by Cellmid up 13.3 percent to 1.7 cents, with 3.15 million shares traded.

Psivida climbed 7.3 percent; Allied Health, Benitec and Phylogica were up more than five percent; Compumedics, Mesoblast and Patrys were up more than four percent; Alchemia and Nanosonics were up more than three percent; Heartware, Optiscan and Starpharma were up more than one percent; with Acrux and Biota up by less than one percent.

Impedimed led the falls, down 2.5 cents or 10.4 percent to 21.5 cents with 42,024 shares traded.

Antisense lost 5.9 percent; Prima fell four percent; Avita, Living Cell, Sunshine Heart and Viralytics shed two percent or more; Anteo and Tissue Therapies were down more than one percent; with Clinuvel, Cochlear, CSL, Pharmaxis, QRX, Resmed, Reva and Sirtex down by less than one percent.

PSIVIDA

Psivida says it has a funded evaluation agreement with an unnamed ophthalmology company to evaluate its Tethadur protein and antibody delivery technology.

Psivida was not able to provide further details about the agreement at this time.

Psivida said Tethadur was an application of its Biosilicon technology platform designed to provide sustained delivery of large biologic molecules, including proteins, antibodies and peptides.

The company said Tethadur used an injectable, bioerodible, nanostructured, porous Biosilicon material for drug delivery.

Psivida said the sizes of the pores in the Biosilicon material were manufactured using nanotechnology to accommodate specific protein, peptide or antibody molecules that were then released on a sustained basis over time as the material bio-erodes.

Psivida chief executive officer Dr Paul Ashton said it was the first commercial agreement for Tethadur and Biosilicon was the second key technology platform, following the three approved products using the Durasert technology platform.

Psivida began as a company developing Biosilicon and acquired Control Delivery Systems in 2005 with its Retisert drug delivery device for uveitis (BD: Nov 15, 2005).

In announcements to the ASX, Psivida has primarily focused on its Control Delivery Systems assets.

"We are very pleased to be entering into this evaluation agreement with a global leader in the field," Dr Ashton said.

"A sustained delivery system for these types of molecules would offer a significant clinical advance in the ophthalmic area where injections of protein based drugs into the eye every one or two months are sometimes required," Dr Ashton said.

Psivida said it had developed three of the four sustained release devices for retinal diseases that have been approved in either the US or Europe.

Psivida was up 19 cents or 7.3 percent to \$2.80.

BIOTA

Biota says Daiichi Sankyo sales of Inavir for the three months to June 30, 2012 of YEN431 million (\$A5.24 million) implied a royalty of \$200,000 up 25 percent on the previous corresponding period (BD: July 29, 2011).

Total Inavir sales to June 30, 2012 added up to YEN10.831 billion, compared to YEN7.1 billion for the previous year, delivering a royalty for the year to June 30, 2012 of \$4.3 million, up 47.3 percent, compared to the previous year's \$2.92 million.

Daiichi Sankyo began sales of Inavir in October 2010 (BD: Oct 19, 2010).

Biota was up half a cent or 0.75 percent to 67.5 cents.

CSL

The Blackrock Group has again ceased its substantial shareholder in CSL.

Blackrock said that between May 12, 2011 and June 28, 2012 it acquired 11,479,861 shares for \$375,060,458 or an average price of \$32.67 a share and sold 13,549,559 shares for \$448,737,982 or an average price of \$33.12 a share.

Last year the Blackrock Group returned to a substantial shareholding in CSL with the acquisition of 27,269,548 shares or 5.15 percent of the company, acquiring 9,954,694 shares for \$350,510,546 or an average price of \$35.21 a share between January 11 and May 11, 2011 (BD: Aug 4, 2011).

CSL fell 10 cents or 0.23 percent to \$42.70 with 1.9 million shares traded.

PHARMAUST

Pharmaust hopes to raise \$1,000,000 through a placement at one cent a share.

Pharmaust said it had a mandate with Peloton Capital Pty Ltd to raise the funds and the initial placement would be under its existing placement capacity with the remainder to be placed following a shareholder meeting.

The company said it was in the process of finalizing an agreement for the sale of Pela Resources, the gold and base metal mining operation in Macedonia it acquired last year for 150,000,000 shares (BD: Aug 19, 2011).

Pharmaust wholly-owned subsidiary Epichem has won prizes for its service provision and export efforts providing synthetic and medicinal chemistry services, with clients in 18 countries and has a 51 percent interest in its type 2 diabetes oral treatment joint venture with Perth's Curtin University (BD: Oct 18, Nov 28, 2011).

Pharmaust was up 0.3 cents or 33.3 percent to 1.2 cents

USCOM

Uscom says three presentations at the International Society for Hypertension in Pregnancy meeting in Geneva, Switzerland support its monitor for hypertension in pregnancy.

Uscom said the presentations included a state-of-the-art lecture and demonstration of the use of the ultra-sonic cardiac output monitor by Prof Herbert Valensise of the Department of Obstetrics and Gynaecology at the University of Rome Tor Vergata.

The company said that hypertension was the leading cause of maternal and peri-natal mortality and morbidity globally and Prof Valensise's presentation demonstrated how he used Uscom to improve the management of hypertension in pregnancy.

Uscom said that research was presented by Prof Valensise's colleagues from the University of Rome Tor Vergata and by University College London Hospitals' Dr Gemma Goodyear and colleagues.

The company quoted Dr Goodyear's group concluding that "this simple technique [Uscom] is likely to facilitate large scale studies of maternal cardiovascular function in pregnancy".

Uscom said the University College London Hospitals research was also presented at the meeting of the International Society for Obstetric Medicine in Oxford, UK in early July.

Uscom executive chairman Rob Phillips said that hypertension in pregnancy was "another critical clinical market in which Uscom is now being recognized".

"These studies confirm that Uscom use will improve the outcomes of mothers and babies, and it's applications like these for which Uscom was developed," Mr Phillips said.

Uscom said that healthy pregnancies required a normal increase in circulation to support the growth of the foetus and the accurate and early identification of circulatory abnormalities allowed accurate intervention to improve maternal and foetal outcomes.

The company said that due to the noninvasive and accurate nature of the monitor, it was "ideal for guiding interventions in the sensitive maternal circulation".

Uscom was untraded at 12 cents.

SUNSHINE HEART

Sunshine Heart says its net operating cash burn for the three months to June 30, 2012 was \$US2,622,000 with cash at the end of the quarter of \$US1,772,000.

In a separate announcement to the ASX last week, Sunshine Heart said it hoped to raise \$US28,750,000 for a pivotal trial of its C-Pulse aorta cuff pump.

Sunshine Heart fell 0.1 cents or 2.3 percent to 4.2 cents with 1.8 million shares traded.

ATCOR MEDICAL

Atcor says its net operating cash burn for the three months to June 30, 2012 was \$702,000 with cash at the end of the quarter of \$1,117,000.

Atcor chief financial officer Peter Manley told Biotech Daily that the company was “expecting a pharmaceutical company order to be delivered in August and paid by October”.

Atcor was untraded at 6.5 cents.

CATHRX

Cathrx says its net operating cash burn for the three months to June 30, 2012 was \$780,000 with cash at the end of the quarter of \$883,000.

In a separate announcement to the ASX, at about the same time, Cathrx said it had a \$1 million bridging loan facility from Rockwell Securities.

Cathrx said the three year loan had an interest charge of 10 percent per annum payable at the expiry of the term.

The company said the funds were to “assist in meeting short term commitments prior to ... undertaking a capital raising to fund its working capital”.

Cathrx was untraded at 1.4 cents.

BIONICHE

Bioniche says that James Rae has been appointed as independent chairman replacing Graeme McRae who continues as president and chief executive officer.

Bioniche said that Mr Rae’s appointment was effective immediately.

The company said Mr Rae had been the chief executive officer of London, Ontario-based Viron Therapeutics Inc since 2007 and had more than 30 years experience in the manufacturing, marketing, financial and research and development operations of both pharmaceutical and biotechnology firms.

Bioniche said that Mr Rae had considerable experience in financing from public, private and government sectors and in deal-making with multinational companies.

The company said Mr Rae was with pharmaceutical company Searle for 18 years, rising to chief executive officer and then joined Cangene where he was president and chief executive officer, responsible for restructuring and orchestrating a reverse takeover of the company.

Bioniche said Mr Rae was previously chairman and chief executive officer of Vaxis Therapeutics in Kingston, Ontario, chairman and chief executive officer of Resolution Pharma in Toronto, Ontario and, more recently, chief executive officer of Cytochroma Inc, a Markham, Ontario-based company.

The company said Mr Rae was most recently chairman of the Montreal-based Aegera Therapeutics, acquired by Pharmascience Inc in late 2011.

Bioniche said Mr Rae was a director of three Canadian biotechnology companies and had previous experience as a director of publicly-traded biotechnology companies.

The company said that four senior staff left the Company and Michael Rubin had joined as vice-president of business development.

Bioniche was unchanged at 53 cents.