



Biotech Daily

Tuesday August 21, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: PRANA UP 21%, PHYLOGICA DOWN 8%**
- * **BIODIEM CLAIMS EARLY LAIV SUCCESS WITH VIVALIS EB66**
- * **BIOTECH TAKES 2 OF 3 L'ORÉAL WOMEN IN SCIENCE \$25k FELLOWSHIPS**
- * **COGSTATE REVENUE UP 48%, RETURN TO PROFIT WITH \$2.45m**
- * **PHOSPHAGENICS H1 SALES DOWN 39%, REVENUE UP 57%, LOSS UP 42%**
- * **MAYNE SALES UP 10%, REVENUE UP 5%, PROFIT UP 265% TO \$6m**
- * **PHYLOGICA REVENUE DOWN 16% TO \$2m, LOSS UP 8%**
- * **GI DYNAMICS TO RELEASE 19m ESCROW US SHARES (97m CDIS)**
- * **DR BERNARD HOCKINGS TAKES 6.5% OF PHYLOGICA**

MARKET REPORT

The Australian stock market was up 0.44 percent on Tuesday August 21, 2012 with the S&P ASX 200 up 19.1 points to 4,383.4 points.

Ten of the Biotech Daily Top 40 stocks were up, 13 fell, 11 traded unchanged and six were untraded. All three Big Caps were up.

Prana was the best on no news, up 3.5 cents or 21.2 percent to 20 cents with 2.2 million shares traded, followed by Universal Biosensors up 16.7 percent to 70 cents with 6.2 million shares traded.

Allied Health climbed 9.5 percent; Biota was up 7.4 percent; Prima was up 4.55 percent; Sunshine Heart rose 2.9 percent; Bionomics, Cochlear, CSL, Mesoblast, Reva and Starpharma were up more than one percent; with Resmed up 0.3 percent.

Phylogica led the falls, down 0.2 cents or 8.0 percent to 2.3 cents with 11.8 million shares traded.

Phosphagenics fell 7.1 percent; Anteo lost 6.6 percent; Cellmid was down 5.9 percent; Circadian, Living Cell and Neuren fell more than four percent; QRX was down 3.5 percent; Psivida and Tissue Therapies were down more than one percent; with Acrux, Pharmaxis and Sirtex down by less than one percent.

BIODIEM

Biodiem says two programs carried out by French partner Vivalis confirm the ability of its live attenuated influenza virus to grow in Vivalis' proprietary EB66 cell line.

Biodiem said the next stage of the collaboration would modify the live attenuated influenza virus (LAIV) to demonstrate and optimize the methodology for making a customizable vector which could be used by vaccine developers for the development of new vaccines targeting other specific diseases, with priority targets including nasopharyngeal carcinoma and respiratory syncytial virus infection.

Earlier this year, Biodiem said that successful results from the investigation could be used as a basis for a new agreement between the companies to test the feasibility of development of LAIV as a vector in Vivalis proprietary cell line (BD: May 9, 2012).

The company said that both its live attenuated influenza virus and Vivalis' EB66 had produced vaccines which had been through phase II clinical trials and the human safety data from the phase II trials would facilitate a shorter and lower cost path to commercialization on completion of the next stage of development with Vivalis.

Today, Biodiem said the proposed vector would take advantage of LAIV's safety profile and low toxicity, intranasal spray delivery and the ability to be customized to target particular diseases.

The company said that Vivalis undertook the research "based on the high potential value of Biodiem's technology in non-influenza vaccine applications, both therapeutic and preventative".

Biodiem said the work had confirmed the successful and abundant growth of LAIV in Vivalis' EB66 cell line and the next step would be the development of a stable LAIV vector technology which used EB66 as a base platform for growth.

Biodiem chief executive officer Julie Phillips said her company was "delighted to have emphatically confirmed the feasibility of growth of our LAIV in conjunction with Vivalis EB66 technology".

"We will now move to finalize planning the most effective development program for the vector," Ms Phillips said.

The company said the next steps for the vector program were further development of the vector platform, establishment of a best practice production process, as well as licencing and manufacturing agreement.

Biodiem was untraded at 6.5 cents.

L'ORÉAL WOMEN IN SCIENCE \$25K FELLOWSHIPS

Three \$25,000 L'Oréal Women in Science fellowships have been awarded to researchers working on blood cancers; kidney disease and solar cell efficiency.

A media release for the cosmetics company awards said they recognized young, early career women scientists for life-transforming work.

The three fellowship winners were Walter and Eliza Hall Institute of Medical Research and Royal Melbourne Hospital's Dr Kylie Mason for her work on new treatments for blood cancers; New Zealand's University of Otago's Dr Suetonia Palmer for research into kidney disease and Melbourne's Swinburne University of Technology's Dr Baohua Jia for studies into more efficient solar cells

The L'Oréal media release said it was the first time the fellowship had been made available to New Zealand scientists and the fellows were chosen from 142 applicants.

The media release said the fellowships were intended to further research and could be used for any expenses, including childcare, as part of L'Oréal's support for women in science.

COGSTATE

Cogstate says revenue for the 12 months to June 30, 2012 was up 48.0 percent to \$12,170,074 with net profit after tax of \$2,451,962.

Cogstate said the company made a net loss after tax for the year to June 30, 2011 of \$846,206, following previous years net profit after tax of \$1,637,615 for the year to June 30, 2010 and \$1429,634 for the 12 months to June 30, 2019

Cogstate said no dividend would be paid.

Cogstate said that net tangible asset backing per share was up 28.6 percent to 9.0 cents.

The company said that diluted earnings per share was 3.3 cents for the year to June 30, 2012 compared to a loss of 1.3 cents for the previous corresponding period.

Cogstate said it had \$4,659,512 in cash at June 30, 2012, compared to \$3,306,562 at the end of the previous financial year.

Cogstate was unchanged at 27 cents.

PHOSPHAGENICS

Phosphagenics says cosmetics sales were down 39.1 percent, revenue, including a tax credit, up 56.7 percent and loss up 41.5 percent, for the six months to June 30, 2012.

Phosphagenics said in a detailed financial report that revenue from ordinary activities was up 56.7 percent from \$1,663,000 for the six months to June 30, 2011 to \$2,604,000, with net loss after tax up 41.5 percent to \$6,202,000 compared to the previous corresponding period.

On pages 15 and 22 of the 28 page report, Phosphagenics said that sales of its Elixia cosmetic products including the AOP9604-based fat-removal cream were down 39.1 percent from \$1,204,000 in the six months to June 30, 2011 to \$733,000 in the six months to June 30, 2012.

Phosphagenics said that "highlighting the success of the Elixia range launch in 2011 was the immense initial sales success of the Elixia Body Shaper Cellilite Contour Crème".

Phosphagenics said that revenue from licences was up 7.3 percent to \$133,000, grants including Federal tax credit was \$1,008,000 and interest revenue was \$664,000.

The company raised \$27.1 million last year (BD: Oct 21, Nov 14, 2011).

Phosphagenics said its net tangible assets per share were up 129.0 percent to 2.45 cents and diluted loss per share was up 8.9 percent from 0.56 cents to 0.61 cents.

The company said it had cash and cash equivalents at June 30, 2012 of \$21,562,000 compared to \$6,328,000 at June 30, 2011.

Phosphagenics fell one cent or 7.1 percent to 13 cents with 1.7 million shares traded.

MAYNE PHARMA GROUP

Mayne Pharma says that total revenue for the 12 months to June 30, 2012 was up 5 percent to \$52,546,000 with net profit after tax up 264.7 percent to \$6,153,000.

Mayne said that sales revenue for the 12 months to June 30, 2012 was up 10.4 percent to \$51.9 million

Mayne said no dividend would be paid.

The company said that net tangible asset backing per share was up 65.7 percent to 17.4 cents and diluted earnings per share was 4.02 cents for the year to June 30, 2012 compared to 1.1 cents for the previous corresponding period.

Mayne said it had \$11.6 million in cash at June 30, 2012, compared to \$5.8 million at the end of the previous financial year.

Mayne Pharma was up half a cent or 1.4 percent to 35.5 cents.

PHYLOGICA

Phylogica says its net loss after tax for the 12 months to June 30, 2012 was up 8.3 percent to \$3,905,000 on revenue down 15.8 percent to \$2,080,000.

Phylogica said that net tangible asset per share fell 45.8 percent from 1.07 cents at June 30, 2011 to 0.58 cents at June 30, 2012.

The company said diluted loss per share was 0.9 cents compared with 1.24 cents in the previous corresponding period.

Phylogica said its cash and equivalents fell from \$5,199,473 at June 30, 2011 to \$2,779,090 at June 30, 2012.

Phylogica fell 0.2 cents or 8.0 percent to 2.3 cents with 11.8 million shares traded.

GI DYNAMICS

GI Dynamics says that 19,443,993 US shares, equivalent to 97,219,965 Chess depositary interests (CDIs) will be released from voluntary escrow on September 7, 2012.

GI Dynamics said that 1,299,140 US warrants equivalent to 6,495,700 CDI options would also be released from voluntary escrow on the same date.

Following the release GI Dynamics will have the equivalent of 286,326,960 CDIs on issue.

GI Dynamics fell 0.5 cents or 0.6 percent to 80.5 cents.

PHYLOGICA

Perth cardiologist Dr Bernard Hockings has become a substantial shareholder in Phylogica with the acquisition of 26,462,263 shares or 6.53 percent.

The initial substantial shareholder notice said the Nedlands, Western Australia-based B Hockings private superannuation fund acquired 10,000,000 shares for BEF and DL Hockings on August 10 and 15, 2012 for \$230,000 or 2.3 cents a share.