



Biotech Daily

Friday October 12, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: SUNSHINE HEART UP 8%, ELLEX DOWN 10.5%**
- * **COGSTATE \$3.7m PHASE III SCHIZOPHRENIA TRIAL CONTRACT**
- * **ADMINISTRATORS CLOSE VIRAX FOR DEED OF ARRANGEMENT**
- * **IMPEDIMED AGM VOTES ON \$365k CEO TERMINATION PAY**
- * **IDT DEFERS AGM FOR MISSED 25% SPILL MOTION**
- * **CALZADA 1.5m DIRECTORS' OPTIONS AGM; SPILL MOTION**
- * **IMMURON APPOINTS DANIEL POLLOCK DIRECTOR**
- * **PROGEN COMPANY SECRETARY PAUL DIXON RESIGNS**
- * **NANOSONICS WINS NSW PREMIER'S EXPORT GONG**

MARKET REPORT

The Australian stock market edged up 0.07 percent on Friday October 12, 2012 with the S&P ASX 200 up 3.1 points to 4,486.6 points.

Fifteen of the Biotech Daily Top 40 stocks were up, six fell, 14 traded unchanged and five were untraded.

Sunshine Heart was the best, was up 0.3 cents or 8.3 percent to 3.9 cents with 23,800 shares traded.

Benitec and Patrys both climbed 6.7 percent; Allied, Prana and Viralytics were up more than four percent; Acrux, Genera, Neuren and Reva were up more than three percent; Universal Biosensors rose 2.3 percent; Anteo, Pharmaxis and Starpharma were up more than one percent; with Alchemia and Resmed up by less than one percent.

Ellex led the falls, down two cents or 10.5 percent to 17 cents, with 26,500 shares traded.

Cellmid lost 6.25 percent; Bioniche fell 5.9 percent; Phosphagenics was down 3.85 percent; Prima shed 2.9 percent; CSL and Nanosonics were down more than one percent; with Cochlear down 0.8 percent.

COGSTATE

Cogstate says an unnamed pharmaceutical company has contracted \$3.7 million of cognitive testing and services for a phase III schizophrenia negative symptoms trial. Last year, Cogstate signed a \$US730,000 contract with an unnamed pharmaceutical company for a phase II trial of schizophrenia negative symptoms (BD: Dec 8, 2011). Today, Cogstate chief executive officer Brad O'Connor told Biotech Daily the phase III trial was with a different pharmaceutical company.

Cogstate said the contracts for three separate phase III studies on the negative symptoms of schizophrenia were collectively its largest ever clinical trial program.

The company said the phase III contracts bring the total value of sales contracts since July 1, 2012, to \$US6.5 million, a 58 percent increase on the \$US4.1 million sales achieved at the same time in the last financial year.

Mr O'Connor said that his company's tests had shown "great sensitivity to cognitive change in schizophrenia".

"To our knowledge, Cogstate is the only cognitive test battery proven to show sensitivity to the effects of cognitive enhancing drugs in schizophrenia," Mr O'Connor said.

Cogstate said the 1110-patient phase III schizophrenia program would be conducted across 256 sites, in 24 countries, with Cogstate tests provided in 26 languages used as a primary outcome measure in a long-term safety study and a secondary outcome measure in the remaining two efficacy studies.

The company said that negative symptoms of schizophrenia involved a loss of normal functions, including flattened affect and emotion, poverty of speech, inability to experience pleasure and lack of motivation, along with diminished cognitive abilities.

Cogstate said that anti-psychotic medications had little impact on negative symptoms. Cogstate was untraded at 35 cents.

VIRAX HOLDINGS (ADMINISTRATORS APPOINTED)

Administrators Grant Thornton say that a September 28, 2012 creditors' meeting voted to execute a deed of company arrangement no later than October 19, 2012.

Grant Thornton, under the logo 'An Instinct for Growth', said that Virax's offices in Kew Victoria had been closed effective immediately.

In August Virax appointed Grant Thornton administrators (BD: Aug 27, 2012).

IMPEDIMED

Impedimed shareholders will vote on a resolution awarding newly-appointed chief executive officer Richard Carreon \$US375,000 (\$A365,067) in termination pay.

In July, Impedimed appointed Mr Carreon on a base salary of \$US375,000 plus health, life and disability insurance, along with performance bonuses (BD: Jul 12, 2012).

In today's notice of meeting Impedimed said that should Mr Carreon's contract be terminated he would be entitled to 12 months salary.

The company said the same 12 months severance pay would be due to the North America head of corporate development John (Jack) Butler Jr on termination of employment.

According to the company's annual report, Mr Butler's remuneration was \$222,812.

Impedimed said that other resolutions to the meeting included the re-election of directors James Hazel, Michael Panaccio and Greg Brown as well the remuneration report.

The meeting will be held at the Tattersalls Club, 215 Queen Street, Brisbane, on November 13, 2012 at 11am (AEST).

Impedimed was unchanged at 15 cents.

IDT AUSTRALIA

IDT says that a recalculation of last year's annual general meeting vote on the remuneration has led to a potential spill motion at a deferred meeting

IDT said that the 2011 remuneration report resolution was thought to be passed but an analysis of the voting uncovered an administrative error which meant that 25.05 percent of votes were against the adoption of the report.

IDT company secretary Roman Najdecki told Biotech Daily the calculation of the vote is based on the total votes cast for and against the resolution, not including abstentions and other withheld votes.

IDT said that under the Corporations Act if 25 percent or more of the votes are cast voted against the remuneration report at two consecutive annual general meetings, the company is required to provide a spill resolution requiring a 50 percent majority for another meeting be held within 90 days at which of the directors other than the managing-director must stand for re-election.

The company said that as a spill resolution could now need to be considered at the meeting it had been deferred from the original October 26 date to November 20, 2012. The meeting will be held at IDT, 45 Wadhurst Drive, Boronia, Victoria on November 20, 2012 at 10am (AEDT).

IDT fell 1.5 cents or 6.1 percent to 23 cents.

CALZADA

Calzada shareholders will vote on the issue of 1,500,000 options to three directors and a potential board spill resolution.

Last year, Calzada's remuneration report was approved with 94,981,582 proxy votes (74.54%) in favor and 32,441,152 proxy votes (25.46%) against (BD: Nov 15, 2011). According to the ASX at that time, Fleming SG Capital Special Opportunities held 29,158,903 shares.

Earlier this year Fleming SG Capital ceased its substantial holding in Calzada, selling all 29,158,903 shares for \$1,457,945 or five cents a share (BD: Jun 21, 2012).

Under the Corporations Act, two successive votes of more than 25 percent against a remuneration report requires a company to propose a spill resolution requiring a 50 percent majority to re-elect directors, except for the managing director, with 90 days.

Calzada said shareholders would vote on the election of directors Dr David McQuillan and Bruce Rathie.

The company has proposed that directors including chairman David Franklyn, Dr McQuillan and Mr Rathie each be issued 500,000 options exercisable at 11 cents with three years of issue.

The meeting will be held at the Rendezvous Hotel, 55 Waymouth Street, Adelaide on November 14, 2012 at 2pm (ACDT).

Calzada was untraded at 4.3 cents.

PROGEN PHARMACEUTICALS

Progen says Paul Dixon has resigned as company secretary, effective from today.

Progen said that Blair Lucas was appointed as an additional company secretary in August, and would replace Mr Dixon.

Progen thanked M Dixon for his contribution to the company over the past four years.

Progen was untraded at 26 cents.

IMMURON

Immuron says it has appointed lawyer Daniel Pollock as a director.

Immuron said Mr Pollock had experience in business, international public corporations and corporate governance.

The company said Mr Pollock had “significant commercial expertise in new market entries into overseas markets, including US, as well as cross-national merger and acquisition projects, distribution agreements and corporate start-ups”.

Mr Pollock is a commercial lawyer, formerly with Shell Petroleum and holds a Bachelor of Laws and a Diploma in Legal Practice from the University of Glasgow.

Immuron was up 0.3 cents or 23.1 percent to 1.6 cents.

NANOSONICS

Nanosonics says it has won the New South Wales Premier’s emerging exporter award for sales of its Trophon.

Nanosonics said the awards recognize excellence in the export of goods and services by New South Wales businesses.

Nanosonics says its Trophon next-generation disinfection technology had made major inroads into global markets in the last year.

The company said that a partnership with GE Healthcare aided the first full year of sales in North America, which saw Nanosonics’ annual revenues grow nearly 300 percent.

Nanosonics said that in its 50th anniversary year, the New South Wales Export Awards were Australia’s longest running business awards program.

Nanosonics said it would be a finalist in the 50th Australian Export Awards managed by Austrade and to be held on in Canberra on November 27, 2012.

Nanosonics fell one cent or two percent to 50 cents.