



# Biotech Daily

Wednesday October 17, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: PHOSPHAGENICS UP 13%, ANTISENSE DOWN 22%**
- \* **PROGEN'S PI-88 FAILS PHASE II MELANOMA COMBINATION TRIAL**
- \* **ANTISENSE 'REFLECTED GLORY' PRICE FALL QUERY, TRADING HALT**
- \* **ATO PROVIDES ALCHEMIA DEMERGER TAX RELIEF**
- \* **HEARTWARE QUILTS EARLY STAGE TRIAL**
- \* **CSL TO BUY-BACK \$900m MORE SHARES**
- \* **CATHRX SIGNS MANUFACTURE, SUPPLY DEAL WITH GMMI**
- \* **EX-CEO DR ROGER ASTON BELOW 5% IN MAYNE PHARMA**
- \* **POKIES BRUCE MATHIESON INCREASES, REDUCED TO 6% OF MAYNE**
- \* **AUSTRALIAN ETHICAL BELOW 5% OF UNIVERSAL BIOSENSORS**
- \* **ISONEA AGM FOR 1m NEW DIRECTORS' OPTIONS**
- \* **LBT AGM FOR 500k DIRECTOR DR CAROLINE POPPER OPTIONS**
- \* **ALISTAIR JOBLING REPLACES ACUVAX DIRECTOR KEONG CHAN**

## MARKET REPORT

The Australian stock market was up 0.82 percent on Wednesday October 17, 2012 with the S&P ASX 200 up 36.7 points to 4,528.2 points. Nine Biotech Daily Top 40 stocks were up, 16 fell, 10 traded unchanged, five were untraded and all three Big Caps rose.

Phosphagenics was the best, up 1.5 cents or 13.0 percent to 13 cents with 833,180 shares traded, followed by Prima up 11.5 percent to 14.5 cents with 7.3 million shares traded. Benitec and Compumedics climbed more than six percent; Allied Health and Prana were up four percent or more; CSL rose 2.1 percent; with Tissue Therapies and Viralytics were up more than one percent.

Antisense led the falls, down as much as 0.5 cents or 27.8 percent to 1.3 cents before calling a trading halt and closing down 22.2 percent at 1.4 cents with 65 million shares traded. Patrys and Sunshine Heart lost more than seven percent; Cellmid and Impedimed fell more than six percent; Avita, Benitec, Clinuvel and Neuren were down more than three percent; Alchemia and Universal Biosensors shed more than two percent; with Living Cell, Pharmaxis, QRX and Reva down more than one percent.

## PROGEN PHARMACEUTICALS

Progen says a phase II trial of PI-88 combined with the dacarbazine as first-line therapy for unresectable metastatic melanoma has not met its endpoints.

Progen said the phase II trial began in 2005 as a multi-centre study conducted in the US and Australia.

The company said that the data showed that for the primary end-point of non-progression after 18 weeks of treatment, PI-88 did not provide additional benefit to patients with advanced melanoma when used in combination with dacarbazine.

Progen said that the combination therapy "was not more efficacious than dacarbazine alone or for the secondary end-points of time to progression, progression free survival, response rate and duration of response".

Progen said that in 2010, it licenced the worldwide oncology rights of PI-88 to Taiwan's Medigen Biotechnology Corp to complete product development and commercialization for liver cancer.

The company said the Medigen was conducting a phase III trial of PI-88 in the adjuvant treatment of hepatocellular carcinoma.

Progen fell two cents or 7.1 percent to 26 cents.

## ANTISENSE

Antisense has requested a trading halt following a 27.8 percent fall in its share price from 1.8 cents to 1.3 cents with 65 million shares traded when the halt was imposed.

Antisense said the trading halt had been requested to consider an ASX price and volume query.

Last night, Antisense's US licencing partner Isis Pharmaceuticals fell 21.9 percent to \$US10.27, following news that the US Food and Drug Administration's Endocrinologic and Metabolic Drugs Advisory Committee would discuss liver toxicity issues related to an application by Genzyme for mipomersen as an adjunct to lipid-lowering medications and diet to reduce low-density lipo-protein cholesterol, total cholesterol and other blood lipids. The Isis website said the company was collaborating with Genzyme to develop and market mipomersen as Kynamro.

The FDA committee said it would meet with Genzyme to evaluate the drug on October 18, 2012

Mipomersen is a second-generation antisense drug, as are the compounds licenced by Antisense from Isis and is believed to be the first of its kind to be considered for market approval.

At the trading halt, Antisense was down 0.4 cents or 22.2 percent at 1.4 cents with 65 million shares traded.

## ALCHEMIA

Alchemia says the Australian Taxation Office has judged the demerger of Audeo Oncology "did not give rise to an assessable dividend in the hands of shareholders".

Alchemia said it had sought demerger tax relief from the Australian Taxation Office regarding any Australian capital gains tax that might arise under the demerger scheme.

The company said that the ATO had issued a class ruling applicable to Alchemia shareholders who held their shares in Alchemia on capital account and are residents of Australia for income tax purposes.

Alchemia fell 1.5 cents or 2.48 percent to 59 cents.

### HEARTWARE INTERNATIONAL

Heartware says it has notified the University of Michigan and University of Pittsburgh feasibility study principal investigators of its intention to withdraw from the study.

Heartware said that withdrawal from the study, effective from November 15, 2012, would allow the investigators to continue their efforts to study a less sick patient population and for it to concentrate on completing the regulatory process for the bridge-to-transplant and destination therapy indications.

The company said that the agreement would terminate and no rights or obligations would have accrued under the agreement that survive the effective date of termination.

Heartware said that in January 2011, the University of Michigan Cardiovascular Center and the University of Pittsburgh announced that they had been awarded grants from the National Heart, Lung and Blood Institute and Heartware to conduct a study exploring the potential benefits of left ventricular assist devices in non-transplant eligible patients with heart failure less advanced than that of current left ventricular assist devices recipients.

Heartware said it had provided about \$600,000 for study.

Heartware was untraded at \$2.38.

### CSL

CSL says it will buy-back a further \$900 million in shares or about 20,000,000 shares over the next 12 months.

CSL said the buy-back was about four percent of the shares on issue and the buy-backs would improve investment return ratios, such as earnings per share and return on equity.

CSL said that last year it began its share buy-back of up to \$900 million which was more than 94 percent completed with 23.5 million shares repurchased for \$850 million.

CSL said that buy-back contributed to a four percent boost to reported earnings per share and similar benefits had been derived from previous capital management initiatives.

CSL was up 97 cents or 2.1 percent to \$47.71 with 1.4 million shares traded.

### CATHRX

Cathrx says it has signed a manufacture and supply agreement with Malaysia's GMMI Sdn Bhd for its reprocessable cardiac catheters.

Cathrx said the agreement demonstrated that it was a specialist catheter manufacturer and technology design house focused on the design and development of a proprietary suite of modular single use cardiac catheter products.

The ASX has approved Cathrx's requested delisting following a continued share price fall and the previous failure of European partnerships (BD: Mar 8, Oct 8, 2012).

Cathrx was up 0.1 cents or 25 percent to 0.5 cents.

### MAYNE PHARMA

Former Mayne Pharma chief executive officer Dr Roger Aston has ceased his substantial shareholding in Mayne, selling 1,530,000 shares.

The ceasing substantial shareholder notice said that Dr Aston sold the shares in two parcels, one of 1,500,000 shares for \$1,095,000 or 73 cents a share on December 1, 2010 and a further 30,000 shares for \$10,770 or 35.9 cents a share on September 17, 2012.

Mayne was unchanged at 22 cents.

### MAYNE PHARMA

Mayne director Bruce Mathieson has increased his shareholding from 11,533,833 shares to 13,411,622 shares, but has been reduced for 8.01 percent to 5.94 percent.

In his substantial shareholder notice, gambling machine operator Mr Mathieson said he acquired 1,500,000 shares for \$1,095,000 on December 1, 2010 and a further 250,000 shares for \$182,500 on January 19, 2011.

The company is in the process of a \$65 million equity capital raising (BD: Oct 4, 2012).

### UNIVERSAL BIOSENSORS

Australian Ethical Smaller Companies Trust has fallen below the five percent substantial shareholder level in Universal Biosensors.

Last month, Australian Ethical became substantial with the acquisition of 8,485,445 shares or 5.33 percent (BD: Sep 18, 2012).

Today, Australian Ethical said it bought and sold shares between September 25 and October 15, 2012 with the single largest sale 351,870 shares for \$316,683 or 90 cents a share.

In September Australian Ethical said that its most recent acquisition was 3,544,204 shares for \$2,112,322 or an average price of 59.6 cents a share.

Universal Biosensors fell two cents or 2.2 percent to 88 cents.

### ISONEA

Isona shareholders will vote to issue 500,000 shares each to directors Dr Stewart Washer, Ross Haghighat, Jerome Korten, Dr David Dantzker and Dr Ross Macdonald. Isona said shareholders would also vote on the issue of \$30,000 in shares to consultant Ben Richards and the ratification of a prior issue to poker machine operator Bruce Mathieson of 17,500,000 shares at six cents a share raising \$1,050,000.

Isona said shareholders would also vote on the remuneration report and the re-election of director Jerome Korten.

The meeting will be held at Giorgios Restaurant, 1235 High Street, Armadale, Victoria, on November 15, 2012 at 2.30pm (AEDT).

Isona was unchanged at 5.3 cents.

### LBT INNOVATIONS

LBT shareholders will vote at the company's annual general meeting to issue 500,000 options to director Dr Caroline Popper and elect directors.

LBT said that Dr Popper's options would be exercisable at the five-day volume weighted average price to November 20, 2012, within 10 years of issue.

The company said that shareholders would also vote on the remuneration report, the election of Dr Popper and the re-election of director Kate Costello.

The meeting will be held at Edwards Marshall Chartered Accountants, Level 3, 153 Flinders Street, Adelaide, on November 20, 2012 at 3.30pm (ACDT).

LBT was untraded at 4.4 cents.

## ACUVAX

Acuvax says that Alistair Jobling has been appointed as director replacing Keong Chan with effect from October 16, 2012.

Acuvax said that Mr Jobling had “tertiary qualifications in life science and applied finance and has extensive experience in conducting evaluation and due diligence of potential transactions, transaction implementation and public company administration”.

Mr Jobling told Biotech Daily that he had a Bachelor of Science degree in Zoology from the University of Nottingham and a Masters of Business Administration from the University of Edinburgh.

Acuvax was untraded at 0.1 cents.