



# Biotech Daily

Friday October 19, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: ANTISENSE UP 14%, PATRYS DOWN 12%**
- \* **NHMRC GRANTS UNFROZEN, DOWN 3% TO \$652m FOR 1,141 GRANTS**
- \* **BLUECHIIP PARTNERS WITH SWISS LUGANO FOR AUTOMATION**
- \* **ANTISENSE REBOUNDS ON ISIS REFLECTED FDA GLORY**
- \* **VIRALYTICS AGM FOR 43% DIRECTORS PAY POOL RISE, OPTIONS**
- \* **INVESTORS MUTUAL TAKE 8% OF MAYNE PHARMA**
- \* **WATERMARK (AUSTRALIAN LEADERS) TAKE 9% OF MAYNE PHARMA**
- \* **OCTA PHILLIP DIRECTORS REPLACE AVITA'S DR PAUL WATT**

## MARKET REPORT

The Australian stock market was up 0.26 percent on Friday October 19, 2012 with the S&P ASX 200 up 11.7 points to 4,571.1 points.

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

Antisense was the best, up 0.2 cents or 14.3 percent to 1.6 cents with 51.0 million shares traded, followed by Neuren up 9.7 percent to 3.4 cents with 20.4 million shares traded.

Clinuvel and Ellex climbed more than five percent; Genetic Technologies was up 4.8 percent; Tissue Therapies was up 3.6 percent; Acrux rose 2.8 percent; Bionomics, Starpharma, Universal Biosensors and Viralytics were up more than one percent; with Alchemia, Biota and Resmed up by less than one percent.

Patrys led the falls, down 0.3 cents or 11.5 percent to 2.3 cents with 1.3 million shares traded.

Optiscan lost 5.6 percent; Prana fell 4.9 percent; Pharmaxis was down 3.85 percent; Anteo and Heartware shed more than two percent; Mesoblast was down 1.4 percent; with Cochlear, CSL and Reva down by less than one percent.

## NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

The Federal Government has unfrozen National Health and Medical Research Council grants, announced earlier this year, providing \$652,002,611 for 1,141 grants.

Last month, the Federal Government confirmed that all innovation and research grants had been frozen indefinitely, pending a review of all grants (BD: Sep 19, 2012).

The fate of Australian Research Council and other grants remains unknown but today National Health and Medical Research Council announced the spending, down 3.4 percent on last year's allocation of \$673.7 million for 1,140 grants, then described by the then Minister for Mental Health and Ageing Mark Butler as the largest investment in grants for health and medical research in Australian history.

A media release from the NHMRC said that Victoria would again receive the highest amount of funding, with \$290.1 million for 498 grants, followed by New South Wales receiving \$157.5 million for 281 grants and Queensland receiving \$94.4 million for 170 grants.

The NHMRC said that the University of Melbourne would receive the greatest amount of funding, with \$89.1 million for 161 grants, Monash University would receive \$86.2 million for 147 grants and the University of Sydney would receive \$66.7 million for 102 grants.

The NHMRC said that Melbourne's the Walter and Eliza Hall Institute would receive the greatest amount of funding of the independent research institutes with 44 grants receiving a total of \$30.7 million, with Sydney's Garvan Institute receiving \$19.6 million for 32 grants.

For more detail on the grants go to: <http://www.nhmrc.gov.au>.

## BLUECHIIP

Bluechiip says it will collaborate with the Lugano, Switzerland-based company Inpeco SA to develop Inpeco products integrating Bluechiip's tracking technology technology.

Bluechiip said Inpeco designed and manufactured automation systems for clinical laboratories, improving and simplifying biological sample processing.

The company said that Inpeco worked closely with some of the world's largest and most advanced healthcare and technology companies, with products in more than 500 clinical laboratories around the world.

Bluechiip chief executive officer Brett Schwarz said his company was "delighted that Inpeco ... [was] looking at integrating Bluechiip's tracking technology in its products".

"Integrating the Bluechiip technology into the robotics of automated laboratory equipment is a critical step in the movement away from manual systems," Mr Schwarz said.

Bluechiip chief technical officer Dr Jason Chaffey said that current tracking and labeling techniques of labels and barcodes did not operate well in ultra-low temperature environments, especially when frost was prevalent.

"It is also critical to be able to monitor the temperature of these valuable samples, which only the Bluechiip tracking technology can do," Dr Chaffey said.

Inpeco president Dr Andrea Pedrazzini said there was "a tremendous opportunity in the area of automation for the storing and retrieving of huge quantities of biological samples at very low temperatures for very long periods, up to many years; a process which at the time being is still performed manually with inefficiency and risk of errors".

"After looking for a tracking and monitoring solution that will survive in these challenging environments we came to the conclusion that Bluechiip could assist us with that solution," Dr Pedrazzini said.

Bluechiip was up 1.5 cents or six percent to 26.5 cents.

## ANTISENSE THERAPEUTICS

Antisense says that a US Food and Drug Administration Committee has supported an application for an Isis-developed second generation Antisense drug.

Earlier this week, Isis and its Australian licencing partner Antisense had significant price falls on concerns that the FDA's Endocrinologic and Metabolic Drugs Advisory Committee might reject an application for Sanofi's Genzyme Kynamor (mipomersen sodium) to lower low-density lipoprotein cholesterol, due to liver toxicity issues (BD: Oct 17, 2012).

Overnight in the US, the Committee voted nine to six that Genzyme had provided sufficient efficacy and safety data to support the marketing of Kynamro to lower low-density lipoprotein cholesterol in patients with homozygous familial hypercholesterolemia. A Genzyme media release said that the FDA was not bound by the Committee's guidance, but would take its advice into consideration when reviewing investigational medicines.

Genzyme said it submitted the new drug application on March 29, 2012 and the FDA had set a target Prescription Drug User Fee Act (PDUFA) date of January 29, 2013.

Genzyme said an application for marketing approval was pending in the European Union.

Antisense managing director Mark Diamond told Biotech Daily that the drugs in his company's pipeline were "unique antisense sequences designed to block different RNA targets than Kynamro, [but] they are in the same class of second generation antisense drugs as Kynamro, that is, the same platform chemistry".

"In the three week dosing, multiple dose stage of the phase I clinical trial of ATL1103, there was one elevation in the liver enzyme ALT reported as an adverse event," Mr Diamond said (BD: Dec 7, 2011).

"Importantly, the ALT levels in this subject returned to normal during the dosing phase, suggesting no residual or cumulative effect of the drug on this safety parameter," Mr Diamond said.

Antisense was up 0.2 cents or 14.3 percent to 1.6 cents with 51.0 million shares traded.

## VIRALYTICS

Viralytics shareholders will vote to increase the directors' remuneration pool by 42.9 percent from \$350,000 a year to \$500,000 a year.

Viralytics said shareholders would vote on a resolution to issue 200,000 options to director Dr Leonard Post, exercisable at 10 percent above the closing price on the day of issue and within five years, vesting in three tranches on November 21, 2012, 2013 and 2014. The company said shareholders would also vote on the remuneration report and the re-election of director Dr Post.

The meeting will be held at the Grace Hotel, 77 York Street, Sydney, on November 22, 2012 at 11am (AEDT).

Viralytics was up half a cent or 1.5 percent to 33 cents.

## MAYNE PHARMA

Investors Mutual has become a substantial shareholder in Mayne Pharma with the acquisition of 18,504,767 shares or 8.19 percent.

The initial substantial shareholder notice said that the Sydney-based company acquired 11,407,120 shares for \$2,292,417 or 20 cents a share.

Mayne is involved in a fully underwritten capital raising for \$65 million at 20 cents a share to acquire Metrics Inc (BD: Oct 4, 2012).

Mayne Pharma was unchanged at 23 cents with 1.8 million shares traded.

### MAYNE PHARMA GROUP

Watermark Funds Management has increased its substantial shareholding in Mayne Pharma from 7,644,395 shares (5.02%) to 19,594,390 shares (8.67%).

A Watermark executive told Biotech Daily that the Sydney-based investment company was the manager of the Australian Leaders Fund, which said it became substantial in Mayne in August with Braitling Investments (BD: Aug 29, 2012).

Both substantial shareholder notices were signed by director Justin Braitling.

Today's substantial shareholder notice said that 11,781,441 shares were acquired on October 16, 2012 for \$2,356,288 or 20 cents a share.

### AVITA MEDICAL

Avita says Octa Phillip Bioscience Managers executives Jeremy Curnock Cook and Matt McNamara have been appointed directors, replacing Phylogica chief executive officer Dr Paul Watt.

Avita said the appointments followed its capital raising of \$10.3 million which was managed by Octa Phillip (BD: Sep 5, 2012).

The company said that Mr Curnock Cook was on "a number of boards of international healthcare and biotechnology companies" and was formerly the head of the life science private equity team at Rothschild Asset Management.

Avita said that Mr McNamara was the Octa Phillip chief investment officer and fund manager and had more than 23 years experience in the healthcare and medical sciences sector.

Avita said its board wanted to acknowledge Dr Watt's "extensive contribution that he has made over a 10 year period including six years as a director of pre-merger company Visiomed".

Avita was unchanged at 13 cents.