



# Biotech Daily

Monday October 8, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: PHARMAXIS UP 8%, BENITEC DOWN 12.5%**
- \* **ATCOR WINS \$US3.2m PHARMACEUTICAL TRIAL CONTRACT**
- \* **CHINA PATENT FOR BENITEC HEP C RNAi CONSTRUCTS**
- \* **CORRECTION: ECO QUEST, CYNATA STEM CELLS**
- \* **MAYNE RAISES \$14.8m FOR METRICS, \$40.2m TO GO**
- \* **PHARMAXIS PLEADS SCHULTZ TO ASX 14% QUERY, NEWS REPORTS**
- \* **ASX OKAYS CATHRX REQUEST TO DELIST**
- \* **DR ROGER ASTON REPLACES IMMURON CHAIR PROF COLIN CHAPMAN**

## MARKET REPORT

The Australian stock market fell 0.28 percent on Monday October 8, 2012 with the S&P ASX 200 down 12.5 points to 4,481.9 points.

Eight of the Biotech Daily Top 40 stocks were up, 16 fell, eight traded unchanged and eight were untraded.

Pharmaxis was the best, climbing as much as 14.5 cents or 12.4 percent to \$1.315, before closing up 9.5 cents or 8.1 percent at \$1.265 with 964,422 shares traded.

Anteo climbed 7.1 percent; Allied Health was up 4.2 percent; Alchemia, Impedimed and Living Cell were up more than three percent; Ellex and QRX rose more than two percent; with CSL up half a percent.

Benitec led the falls, down 0.2 cents or 12.5 percent to 1.4 cents with 1.3 million shares traded.

Bionomics, Clinuvel, Prima and Viralytics lost more than five percent; Prana fell 4.55 percent; Avita, Heartware and Phylogica were down more than three percent; Sunshine Heart shed 2.5 percent; Nanosonics, Tissue Therapies and Universal Biosensors were down more than one percent; with Acrux, Cochlear, Mesoblast and Sirtex down by less than one percent.

### ATCOR MEDICAL

Atcor it has signed a contract to supply \$3.2 million of its Sphygmocor systems and clinical trial support services to an unnamed pharmaceutical company.

Atcor said it would supply its Sphygmocor device which measures central aortic blood pressures and arterial stiffness non-invasively to unnamed company's trial sites in Europe and North America.

Atcor chief executive officer Duncan Ross said it was a "significant contract" and along with one in August was "a very good start to our financial year" (BD: Aug 13, 2012).

"This contract is with an existing client that we have worked with for a number of years," Mr Ross said.

"The non-invasive measurement of central blood pressure and arterial stiffness is particularly important for drug development, which requires accurate, insightful data to fully understand the efficacy of new drugs," Mr Ross said.

"It is encouraging that Atcor's gold standard technology, data management and support services are being validated through repeat business from the pharmaceutical sector," Mr Ross said.

Atcor was up 0.1 cents or 1.7 percent to 6.1 cents.

### BENITEC BIOPHARMA

Benitec says it has been allowed a patent entitled 'RNAi expression constructs'.

Benitec said the allowed claims protected an RNA expression cassette that encoded RNAi agents of two key sequences used by Benitec's exclusive licensee Tacere Therapeutics in its TT-034 anti-hepatitis C virus gene silencing molecule.

The company said that further sequences, including the third sequence of TT-034, will be the subject of separate, divisional, patent applications.

Benitec said that hepatitis C was a leading cause of liver disease worldwide and was the leading cause of cause of cirrhosis, hepatocellular carcinoma and liver transplantation.

The company said that despite the 2011 addition of protease inhibitors, a new class of anti-hepatitis C drugs and the first new small molecule drugs approved to treat hepatitis C in more than a decade, an arduous therapeutic regimen using the current standard of care was still unable to provide clinical benefit to a large segment of the patient population.

Benitec said that Tacere Therapeutics and Pfizer had published two scientific papers this year demonstrating the safety and efficacy of this construct in appropriate hepatitis C models.

The company said the collaboration focused on completing studies for submission of an investigational new drug application to the US Food and Drug Administration.

Benitec said its DNA-directed RNA interference (ddRNAi) was capable of specifically turning off any gene, particularly those causing or progressing disease.

Benitec chief executive officer Dr Peter French said there was considerable interest in hepatitis C treatment.

"While there are very promising new drugs coming to market for this disease, there will be a new generation after those," Dr French said.

"We believe that this approach can be a significant enhancement over these emerging therapies," Dr French said.

Benitec said that about 170 million people were chronically infected, with 350,000 deaths from hepatitis C related liver disease each year, with prevalence highest in Asia.

Benitec fell 0.2 cents or 12.5 percent to 1.4 cents with 1.3 million shares traded.

### ECO QUEST, CYNATA

Last Friday's edition reported that Eco Quest had taken an 11 percent stake in Cynata Inc, a California-based company developing multipurpose stem cell technology for regenerative medicine and whose chief executive officer is former Genera chief executive officer Dr Allen Bollands.

In the headline and article Biotech Daily misspelled Cynata's company name and apologizes.

The former Friday sub-editor claimed to have been distracted by children on the last day of the school-holidays, but is now free of all distractions.

Cyntata is a private company.

Eco Quest was up 0.4 cents or 16.7 percent to 2.8 cents.

### MAYNE PHARMA

Mayne says it has raised \$5.7 million in an institutional entitlement offer and \$9.1 million in an unconditional placement.

Last week, Mayne said it would raise \$65 million of up to \$120 million required to buy the US-based Metrics Inc through a fully underwritten equity raising at 20 cents a share and a \$US48.5 million debt funding commitment (BD: Oct 4, 2012).

Today, the company said the conditional institutional placement was also fully subscribed by institutional and sophisticated investors.

Mayne said that conditional institutional placement shares would be issued subject to shareholder approval at the annual general meeting on November 9, 2011.

Mayne fell three cents or 10.7 percent to 25 cents with 1.3 million shares traded.

### PHARMAXIS

Pharmaxis has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose from \$1.155 on October 5 to \$1.315 today, October 8, 2012, a 13.85 percent increase and noted an increase in trading volume.

The ASX specifically referred to "recent press reports", to which Pharmaxis responded that it had "no knowledge or information other than the contents of the press report".

Biotech Daily is aware that a report in the Australian Financial Review claimed that unnamed sources had said that "an offshore party is working up a bid proposal and has engaged an investment banking adviser".

"Analysts are bullish on Pharmaxis because of its successful launch of Bronchitol in Germany and US Food and Drug Administration acceptance for a standard review of Pharmaxis's new drug application for cystic fibrosis patients," the Financial Review said.

Pharmaxis closed up 9.5 cents or 8.1 percent to \$1.265 with 964,422 shares traded.

### CATHRX

Cathrx says the ASX has approved its voluntary removal from the official list, on a date to be decided by ASX, subject to shareholder approval and other conditions.

Last month Cathrx said that because of a share price fall, it would not wait to complete a \$5 million capital raising and intended to delist (BD: May 9, Sep 27, 2012).

Cathrx designs reprocessable cardiac catheter solutions but failed to gain sales or a partnering deal (BD: Sep 29, 2011, Mar 8, 2012).

Cathrx was untraded at 0.5 cents.

## IMMURON

Immuron says founding chairman Prof Colin Chapman will retire from the company and be replaced as chair by Dr Roger Aston.

Immuron said Prof Chapman was “stepping down ... due to extensive personal commitments”.

Biotech Daily understands that Prof Chapman was the founding chairman of the then Anadis in 1994 and stepped down due to work commitments, joining the scientific advisory board, before being re-appointed a director in June 2008 and chairman in December 2008.

“After a long and very enjoyable involvement with Immuron, I feel it is now time to step aside from my role as a director of the company and as chairman,” Prof Chapman said.

“I have every confidence in the management team to continue to lead this company and I fully endorse Immuron’s strategy and products,” Prof Chapman said.

Dr Aston said the company was “sad to lose Colin as a valued board member”.

“We extend our thanks to him for his contributions to the board and its committees over many years as a member of the scientific advisory committee and more recently as a director,” Dr Aston said.

Dr Roger Aston was appointed a director earlier this year (BD: May 25, 2012).

Immuron said that Dr Elane Zelcer, a director since 2009, had been appointed non-executive deputy chairman.

Immuron was untraded at 1.5 cents.