



Biotech Daily

Wednesday November 14, 2012

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: VIRALYTICS UP 15%, BIONICHE DOWN 12.5%**
- * **PRIMA: 'FURTHER INTERIM DATA BACKS CVAC FOR OVARIAN CANCER'**
- * **BIONOMICS 47% DISSENT AT DIRECTORS FEES, 1m OPTIONS**
- * **REVA ON-TRACK FOR 2014 SALES, FUNDS SECURE**
- * **AVEXA COAL MINING AGM**
- * **CATHRX VOTES TO DELIST**
- * **BLUECHIIP CAPITAL RAISING TRADING HALT**
- * **VIRALYTICS APPOINTS DR MALCOLM McCOLL CEO**

MARKET REPORT

The Australian stock market edged up 0.2 percent on Wednesday November 14, 2012 with the S&P ASX 200 up 8.6 points to 4,388.4 points.

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

Viralytics was the best, up five cents or 14.7 percent to 39 cents with 227,128 shares traded.

Living Cell was up six percent; Anteo and Prima were up more than three percent; Mesoblast rose 2.1 percent; Acrux, Circadian and Tissue Therapies were up more than one percent; with Alchemia, Pharmaxis and Sirtex up by less than one percent.

Bioniche led the falls, down five cents or 12.5 percent to 35 cents with 5,500 shares traded, followed by Benitec down 11.1 percent to 1.6 cents with 8.1 million shares traded.

Clinuvel lost 6.7 percent; Allied Health, Avita and Genetic Technologies fell more than four percent; Compumedics and Phosphagenics were down more than three percent; Neuren and Prana shed more than two percent; Resmed and Starpharma were down more than one percent; with Cochlear, CSL, Reva and QRX down by less than one percent.

PRIMA BIOMED

Prima says interim data from seven of the 63-patients in its phase II trial of CVac for ovarian cancer shows positive effects on the immune system.

Prima said that it had completed intracellular cytokine staining analysis of seven patients with epithelial ovarian cancer patients in remission after first-line or second line therapy and that intracellular cytokine staining (ICS) was used to evaluate if CVac had induced a mucin 1 specific T-cell response and helped confirm biological activity.

Prima said the seven patients comprised five in the CVac group and two in the control group and the CVac patients demonstrated "much higher T-cell activity throughout the testing period" compared to the control group.

The company said the intracellular cytokine staining testing indicated the T-cell response was specific to mucin 1, the antigen marker present on most ovarian cancer cells.

Prima scientific advisory board the chairman of Prof Ian Frazer said there was "clear evidence of a cellular response to mucin 1 induced by CVac treatment".

Prima chief executive officer Matthew Lehman said that CVac had "a very favorable side effect profile, the clinical data in terms of progression free survival are trending in the right direction and the early ICS data support our hypothesis of how the product should work".

Prima released the first interim data from the phase II trial last month saying that it showed "a positive trend" for the use of CVac to treat epithelial ovarian cancer patients in remission after first or second line therapy (BD: Oct 15, 2012).

The company said in October that preliminary intracellular cytokine staining data in three CVac treated patients showed a potent cytotoxic T-cell response specific to mucin 1, while untreated patients did not show the same immune response.

The CAN-003 trial data is the first published data since the company's previous 2006 trial, in which four of 21 patients in the phase II trial at Melbourne's Austin Hospital had either a clinical response to treatment or stabilization of their disease (BD: May 16, 2006).

Prima was up half a cent or 3.7 percent to 14 cents with 2.5 million shares traded.

BIONOMICS

All Bionomics annual general meeting resolutions were passed 'on a show of hands' but with up to 47.2 percent opposition on directors' fees and options resolutions.

The greatest shareholder dissent was on a resolution proposing an increase in the aggregate annual remuneration for non-executive directors by \$100,000 or 25 percent to \$500,000, with 44,106,224 votes (47.2%) against and 49,374,929 votes (52.8%) in favor (BD: Oct 15, 2012).

Resolutions to issue 500,000 options each, exercisable at 32 cents in five tranches of 100,000 options each over the next six years, with a lifespan of five years, to recently appointed directors chairman Graeme Kaufman and Dr Jonathan Lim, the issue of 65,000 options exercisable at 28.7 cents within five years to chief executive officer Dr Deborah Rathjen and the ratification of a prior share issue, faced similar, but lower, levels of dissent.

Directors Dr Lim, Mr Kaufman and Trevor Tappenden were elected with more than 96 million votes in favor and fewer than 480,000 votes against, while the remuneration report was opposed by 1.1 million votes and supported by 54.8 million votes.

The company's most recent Appendix 3B new issue announcement said that Bionomics had 364,719,694 shares on issue, meaning that the votes against the increase in aggregate directors' fees amounted to 12.1 percent of the company, sufficient to requisition extraordinary general meetings.

Bionomics was unchanged at 32 cents.

REVA MEDICAL

Reva says chief executive officer Bob Stockman says he expects first sales of the Rezolve2 bioresorbable drug eluting stent by the end of 2014.

In a quarterly financial and development teleconference, Mr Stockman said that with a cash burn rate of about \$US20 million a year the company had funds to take it through to initial sales and had "no plans to raise capital".

Mr Stockman said that the company was focused on manufacturing scale-up for different sizes of the Rezolve2 stent, as well as the pivotal 125-patient Conformité Européenne (CE) mark trial.

Mr Stockman said that the success of Abbott's Absorb bioresorbable stent in making inroads into a market dominated by metal stents was good for Reva.

Mr Stockman said the Rezolve2 stent had advantages over its competition, most notable the ability to image the stent as it was being inserted and following implantation, if further intervention was required.

He said that unlike other stents, the geometry of the Rezolve2 scaffold provided strength allowing for increasing the diameter as required, rather than needing to make step changes, making it more user-friendly.

Reva's head of clinical and regulatory affairs Jeff Anderson said that the two major cardiac adverse events (MACE) of the 22 patients so far assessed in the 26-patient pilot trial were both target lesion restenoses (TLRs) meaning that the stent had a blockage or an occlusion generally caused by tissue growing into the stent.

Mr Anderson said that early model metal stents had a 20 to 25 percent TLR rate and later drug-eluting stents reduced the rate to six to eight percent.

Mr Anderson said that one of the two Reva events was caused by a doctor failing to follow the protocol which included pre-dilatation of the target vessel.

Reva's financial statement for the three months to September 30, 2012 said the company spent \$US5,849,000 (\$A5,595,180) with \$US44,337,000 in cash and cash equivalents at the end of the period.

Reva fell half a cent or 0.95 percent to 52 cents.

AVEXA

Avexa shareholders will vote on a resolution to take a 25.5 percent holding in a disused coal mine in Alabama.

Avexa said that other resolutions to the meeting included the election of directors Bruce Hewett and Dr Duncan Worthington as well as the remuneration report.

The meeting will be held at the KPMG, 147 Collins Street, Melbourne, on December 14, 2012 at 10am (AEDST).

Avexa was up 0.2 cents or 9.1 percent to 2.4 cents.

CATHRX

Cathrx shareholders have voted overwhelmingly to delist from the ASX at today's annual general meeting (BD: Sep 27, 2012).

More than 80 million votes were cast in favor of the resolution with 3.8 million votes against.

The remuneration was supported by 65.6 million votes and opposed by four million votes with the re-election of Dr Elizabeth Wilson as a director by more than 84 million votes in favor and 155,312 votes against.

Cathrx was untraded at 0.5 cents.

BLUECHIIP

Bluechiip has requested a trading halt pending an announcement “in connection with a proposed capital raising, the terms of which are currently being finalized”.

Trading will resume on November 16, 2012 or on an earlier announcement.

Bluechiip last traded at 25 cents.

VIRALYTICS

Viralytics says that Starpharma business development executive Dr Malcolm McColl has been appointed chief executive officer.

Viralytics did not provide a start date for Dr McColl who has been since 2010, and is currently, a business development vice-president at Starpharma.

Viralytics said that Dr McColl initiated and had a lead role in the development of Starpharma’s in-house docetaxel oncology drug program.

The company said that prior to 2010 Dr McColl spent three years in the UK as Hospira’s business development director for Europe, Middle East and Africa and led negotiations and due diligence for licencing and acquisition transactions with a focus on oncology.

Viralytics said that Dr McColl was previously Hospira’s director of business development for the Asia Pacific region and before that worked for 13 years at CSL in its animal health division including four years based in the US as business development vice-president.

Viralytics executive chairman Paul Hopper said Dr McColl had more than 20 years biotechnology experience and had completed about 50 research, development, licencing, mergers and acquisitions and other partnering transactions.

The company said that Dr McColl held a Bachelor of Veterinary Science from the University of Melbourne and a Master of Business Administration from the Melbourne Business School.

Viralytics was up five cents or 14.7 percent to 39 cents.

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