



Biotech Daily

Thursday February 14, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: ELLEX UP 13%, PHOSPHAGENICS DOWN 6%**
- * **US ARMY TESTS BIODIEM BDM-I FOR PLAGUE, ANTHRAX**
- * **UNIQUEST, UTS, MRCF CREATE HELMEDIX FOR IMMUNE DISEASES**
- * **CHIEF SCIENTIST RECOMMENDS INNOVATION COUNCIL**
- * **SIRTEX H1 REVENUE UP 25% TO \$46m, PROFIT UP 34% TO \$8m**
- * **UNIVERSAL BIOSENSORS REVENUE UP 102% TO \$30m, LOSS DOWN 38%**
- * **NANOSONICS H1 REVENUE DOWN 13% TO \$4m, LOSS UP 97% TO \$6m**
- * **STARPHARMA H1 REVENUE UP 24% TO \$1.3m, LOSS DOWN 61% TO \$1.8m**
- * **PSIVIDA H1 REVENUE DOWN 50% TO \$1m, LOSS UP 74% TO \$5m**
- * **IMPEDIMED SIGNS 3M FOR AUSTRALIA, NEW ZEALAND SALES**
- * **ALLAN GRAY BELOW 5% IN ACRUX**
- * **CONSTABLES TAKE 5% OF ANTISENSE**

MARKET REPORT

The Australian stock market climbed 0.66 percent on Thursday February 14, 2013 with the S&P ASX 200 up 33.2 points to 5,036.9 points. Nine of the Biotech Daily Top 40 stocks were up, 13 fell, 13 traded unchanged and five were untraded.

Ellex was the best, up 2.5 cents or 12.8 percent to 22 cents with 46,000 shares traded. Cellmid climbed 9.5 percent; Antisense, Avita and Tissue Therapies were up more than seven percent; Optiscan was up 4.55 percent; Living Cell rose two percent; Medical Developments was up 1.45 percent; with Cochlear and Mesoblast up by less than one percent.

Phosphagenics led the falls, down one cent or 6.1 percent to 15.5 cents with 839,285 shares traded. Nanosonics and Neuren fell four percent or more; Alchemia lost three percent; Universal Biosensors shed 2.25 percent; CSL, GI Dynamics, Pharmaxis, QRX, Sirtex, Starpharma and Viralytics were down more than one percent; with Heartware, Resmed and Reva down by less than one percent.

[BIODIEM](#)

Biodiem says its antimicrobial BDM-I will enter pre-clinical animal testing with the US Army to assess its potential as a biological weapons counter-measure.

Biodiem said it had renewed its material transfer agreement with the US Army Medical Research Institute of Infectious Diseases, which had undertaken in-vitro studies to assess BDM-I against a range of disease-causing agents posing a biological weapons threat, including *Bacillus anthracis* or anthrax and *Yersinia pestis* or plague.

Biodiem chief executive Julie Phillips said the early-stage research was positive and the research could now move to animal-based studies.

"This is important work that is broad in scope, but is focused on finding new ways to combat these highly infectious pathogens which pose a biological weapons risk," Ms Phillips said.

Biodiem said that animal studies would confirm the available drug concentration provided by different routes of administration and efficacy evaluation in an animal model for a number of highly infectious pathogens.

The company said that BDM-I was a novel compound that had shown activity against a broad range of dangerous micro-organisms including bacteria, fungi and protozoa.

Biodiem was untraded at four cents

[UNIQUEST, HELMEDIX](#)

The University of Technology Sydney's Ithree institute has spun-out Helmedix to develop peptide drugs for auto-immune diseases.

UTS' commercialization partner, the Brisbane based Uniquet, said the spin-out was supported by \$1.25 million from the Medical Research Commercialisation Fund, which is managed by Brandon Capital.

Uniquet said that Helmedix focus would be autoimmune diseases such as rheumatoid arthritis, colitis, psoriasis and multiple sclerosis.

Uniquet said that it negotiated the agreement for Helmedix Pty Ltd to licence intellectual property from the Ithree institute

Uniquet acting chief executive officer Dean Moss said that bringing the Medical Research Commercialisation Fund (MRCF) and Ithree together to launch Helmedix was "an excellent example of university research and industry sector collaboration which will translate into benefits for the wider community".

"This is the first major start-up investment Uniquet has facilitated for the Ithree institute, and our second with the MRCF in the past 12 months," Dr Moss said.

Uniquet said that the Helmedix research team was led by Dr Sheila Donnelly and had identified a number of immune modulating peptides derived from parasitic helminth worms, one of which was effective in suppressing the inflammatory response of the host and had shown therapeutic potential in a mouse model of type 1 diabetes.

Uniquet said the immune modulating activity indicated potential broader application in a variety of other autoimmune diseases.

Helmedix director and Brandon Capital partner Dr Stephen Thompson said that Helmedix was an example of the early stage opportunity that the Fund was created to support and its discoveries had the potential to impact a number of autoimmune diseases.

Uniquet said that the MRCF investment would help progress lead optimization and pre-clinical development of the immune modulating peptides over the next two years and Helmedix would then seek further investment or partnerships to move the helminth-derived peptides through clinical development, subject to milestones.

Helmedix is a private company.

OFFICE OF THE CHIEF SCIENTIST

Australia's Chief Scientist Prof Ian Chubb has recommended five "breakthrough actions" for a more innovative nation including the establishment of an Innovation Council.

An Office of Chief Scientist media release said that the Prime Minister's Science Engineering and Innovation Council agreed that the Office of the Chief Scientist would prepare the advice on enhancing productivity through innovation.

The Office said that it consulted organizations, peak bodies and individuals across the government, industry and science sectors and more details are available at:

http://www.chiefscientist.gov.au/wp-content/uploads/Item_3-Breakthrough-Actions.pdf.

"There was a consistent view on what the 'breakthrough actions' should be," Prof Chubb said.

"We were told it is not just the effort that is important, but also the scale," Prof Chubb said.

"Australia already has many support or incentive programs, which are considered useful," Prof Chubb said.

"The proposed actions offer the chance of doing things differently to increase the chances of success," Prof Chubb said.

The Office of Chief Scientist said the five 'breakthrough actions' were the establishment of an Australian Innovation Council; strengthening business access to publicly-funded research expertise, infrastructure and data; encouraging mobility of researchers between academia and business and other enterprises; harmonizing intellectual property frameworks across the publicly-funded research sector; and emphasizing the role of science, technology, engineering and mathematics education in changing the culture.

Biotech Daily was not aware of the consultation but welcomes the proposals, some of which mirror the 2009 Biotechnology and Related Industry Leadership Group proposals that were not supported for what became Commercialisation Australia (BD: Jul 6, 2009).

SIRTEX MEDICAL

Sirtex says revenue for the six months to December 31, 2012, was up 25.1 percent to \$46,042,000 with the net profit after tax up 34.2 percent to \$7,840,000.

Sirtex said that dose sales of its SIR-Spheres for liver cancer were up 30.5 percent to 3,522 units for the six months to December 31, 2012.

The company said that research and development expenditure increased 17.6 percent to \$4,914,000 or 10.7 percent of revenue.

Sirtex said that US dose sales rose 35.4 percent to 2,305 doses, Asia Pacific sales were up 34.5 percent to 347 doses with Europe, Middle East and Africa up 17.9 percent to 870 doses.

The company said it had increased investment 13.2 percent to \$7.0 million to accelerate clinical studies to demonstrate SIR-Spheres were an effective treatment option for patients at an earlier stage of their disease to achieve better clinical outcomes.

Sirtex said that a fully-franked final dividend of 10 cents was paid on October 26, 2012 for the financial year to June 30, 2012.

The company said that net tangible asset per share was up 1.4 percent to 94.4 cents and diluted earnings per share was up 25.9 percent to 13.6 cents.

Sirtex said that cash and cash equivalents at December 31, 2012 was \$18,993,000 compared to \$13,447,000 at June 30, 2012.

Sirtex was down 18 cents or 1.5 percent to \$11.53 with 147,157 shares traded.

UNIVERSAL BIOSENSORS

Universal Biosensors says that revenue for the year to December 31, 2012, was up 102 percent to \$29,646,443 reducing net loss after tax 38 percent to \$9,131,222.

Universal Biosensors said that product revenue for strips for the Lifescan meter was up 61 percent to \$19.4 million, with service revenue up 285 percent to \$8.1 million and strip service fees up 311 percent to \$2.2 million.

The company said that research and development expenses were up 37 percent to \$13.5 million or 45.6 percent of revenue.

Universal Biosensors said that diluted loss per share fell 33.3 percent from 9.0 cents in the previous year to 0.6 cents for the year to December 31, 2012.

The company said it had cash and cash equivalents of \$23,649,417 at December 31, 2012, compared to \$15,089,209 at December 31, 2011.

Universal Biosensors said that net tangible assets per share was up 4.5 percent to 23 cents at December 31, 2012.

Universal Biosensors fell two cents or 2.25 percent to 87 cents.

NANOSONICS

Nanosonics says revenue for the six months to December 31, 2012 was down 13 percent to \$4,420,000, with a net loss after tax up 97.4 percent to \$6,026,000.

Nanosonics chief executive officer Ron Weinberger told a teleconference that sales for the three months to December 31, 2012 were stronger than the previous three months and that increased staffing costs relating to the roll out of the Trophon EPR intra-cavity ultrasound probe disinfectant system was the principle cause of the increased loss.

Mr Weinberger said that he expected the company to be able to take between 20 to 40 percent of the market of 600 million procedures as the Trophon EPR had no competitors.

Mr Weinberger said there had been "a significant uptake" in North American sales through GE Healthcare and Nanosonics had "a memorandum of understanding with a major device company in the UK" for a distribution partnership.

He said the company was selling Trophon units in Australia, New Zealand and Hong Kon with a recent approval in Singapore.

Mr Weinberger said the company had seen a 98 percent increase in the sales of consumables as more sites installed more units.

Mr Weinberger said he expected to see continued growth in the next six months.

Nanosonics said its net tangible assets per share climbed 58 percent to 7.78 cents and diluted loss per share was up 76.3 percent to 2.31 cents.

The company said it had cash and cash equivalent of \$25,765,000 at December 31, 2012 compared to \$29,310,000 at June 30, 2012.

Nanosonics fell two cents or four percent to 48 cents.

STARPHARMA

Starpharma says revenue for the six months to December 31, 2012 was up 23.75 percent to \$1,292,000 with a net loss after tax down 60.9 percent to \$1,832,000.

Starpharma said that revenue from royalties, licencing and commercial partner research was \$377,000, down from \$422,000 in the previous corresponding period, while interest was \$895,000 compared to \$600,000 in the previous corresponding period.

The company said its diluted loss per share fell 50 percent from two cents to one cent.

Starpharma said it had cash and cash equivalents of \$33,182,000 at December 31, 2012.

Starpharma was down two cents or 1.7 percent to \$1.16.

PSIVIDA

Psivida says revenue for the six months to December 31, 2012 was down 50 percent to \$US1,138,000 (\$A1,099,440), with a net loss after tax up 74 percent to \$US5,159,000. Psivida said that its diluted loss per share was 23 US cents and the company had cash and cash equivalent of \$US9,409,000 at December 31, 2012. Psivida was untraded at \$1.43.

IMPEDIMED

Impedimed says it has a three-year exclusive agreement with 3M Australia to sell and co-market the L-Dex lymphoedema products in Australia and New Zealand.

Impedimed chief executive officer Richard Carreon said the agreement was “promising news for lymphoedema patients in that two companies with synergistic and complementary technologies will be working closely together with practitioners on early detection, treatment and accessibility”.

The company said that the key for maintaining quality of life for people with lymphoedema was recognition and management of the condition as early as possible and providing effective treatment and the L-Dex U400 bioimpedance spectroscopy device aided the assessment of unilateral lymphoedema.

Impedimed said that 3M’s Coban layer compression therapy was a low-profile, compression system used to treat lymphoedema.

Impedimed was unchanged at 11 cents.

ACRUX

Allan Gray Australia (formerly Orbis Investment Management) has ceased its substantial holding in Acrux selling 431,605 shares to 7,988,240 shares or 4.80 percent.

In December Allan Gray returned to a substantial holding in Acrux with 8,419,845 shares or 5.06 percent and director Simon Marais told Biotech Daily at that time that that the shares taking Allan Gray above the five percent substantial shareholder mark were acquired for about \$2.70 each (BD: Dec 19, 2012).

Today, Allan Gray said it bought and sold shares between December 17, 2012 and February 13, 2013, with the single specified sale 71,482 shares for \$275,980 or an average price of \$3.86 a share.

Acrux was unchanged at \$3.82 with 729,202 shares traded.

ANTISENSE THERAPEUTICS

Jason and Catherine Constable have become substantial shareholders in Antisense with the acquisition of 72,000,000 shares or 5.007 percent.

The initial substantial shareholder notice said that Mr and Ms Constable were based in Ballarat North, Victoria, but did not disclose the price paid for the shares.

According to Antisense’s 2012 annual report, the acquisition makes the Constables the second largest shareholder in the company.

Antisense was up 0.1 cents or 7.7 percent to 1.4 cents with 16.1 million shares traded.