



Biotech Daily

Wednesday February 20, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PSIVIDA UP 10%, USCOM DOWN 5%**
- * **PHOSPHAGENICS TOPICAL OPIOID FOR LOCAL PAIN**
- * **BIOXYNE RAISES \$508k; DR COLLIER, DR CAMPBELL TO JOIN EXECUTIVE**
- * **PHOSPHAGENICS REVENUE DOWN 16% TO \$2.7m, PROFIT TO LOSS**
- * **COGSTATE H1 REVENUE DOWN 12% TO \$6m, PROFIT TO LOSS**
- * **NEURODISCOVERY ACQUISITION; PLACEMENT, OPTIONS EGM**
- * **TISSUE THERAPIES REQUESTS CAPITAL RAISING TRADING HALT**
- * **MEDICINES AUSTRALIA CHAIRMAN MARK MASTERSON RESIGNS**
- * **CIRCADIAN LOSES CFO, CO SEC SUSAN MADDEN**

MARKET REPORT

The Australian stock market climbed 0.33 percent on Wednesday February 20, 2013 with the S&P ASX 200 up 16.8 points to 5,098.7 points.

Thirteen of the Biotech Daily Top 40 stocks were up, six fell, 17 traded unchanged and four were untraded.

Psivida was the best, up 14.5 cents or 10.0 percent to \$1.60 with 1,559 shares traded.

Ellex climbed 7.3 percent; Phosphagenics and Sirtex were up more than six percent; Prima was up 4.35 percent; Avita and Reva climbed more than three percent; Neuren rose 2.5 percent; Acrux, Bionomics, Heartware, Medical Developments and Pharmaxis were up more than one percent; with CSL and Resmed up by less than one percent.

Uscom led the falls for the second day in a row, down one cent or five percent to 19 cents with 9,552 shares traded.

Impedimed fell 4.35 percent; Cellmid and Genetic Technologies lost more than three percent; Anteo and Mesoblast were down more than one percent; with Cochlear down 0.3 percent.

PHOSPHAGENICS

Phosphagenics says it will develop its tocopheryl phosphate mixture oxycodone as a topical opioid for local pain

Phosphagenics said it had completed a pre-clinical study in laboratory rats, demonstrating that TPM oxycodone could reduce local pain without the need to deliver oxycodone into the bloodstream.

The company said that a topical opioid able to act directly on inflamed tissue, without delivery into the systemic circulation, could eliminate all side effects associated with ingestion of the oral opioid dosage form.

Phosphagenics said it would be "a much safer dosage form and may be appropriate for localized pain indications that have traditionally proven very difficult to treat".

"These include both post-herpetic neuralgia/shingles and diabetic neuropathy,"

Phosphagenics said.

The company said there was no topical opioid product on the market and sales of non-opioid pain drugs prescribed for localized pain exceeded \$US4 billion a year, with Endo Pharmaceutical's leading Lidoderm (lidocaine patch 5%) used for neuropathic pain.

Phosphagenics said the discovery that its oxycodone patch could reduce topical pain without reaching the bloodstream had "significant commercial implications" and the company intended to begin clinical trials by October 2013.

The company said the topical opioid trials would be in addition to its oxymorphone and oxycodone patch trials.

Phosphagenics said the tocopheryl phosphate mixture or TPM technology was able to deliver molecules in a targeted manner either into the skin or through the skin into the bloodstream, by modifying the formulation.

Phosphagenics said it had formulated TPM to deliver compounds into the skin for topical dermatological and cosmetic applications.

The company said that in the pre-clinical study for localized pain, TPM was formulated to deliver oxycodone into the localized area of application, without spillage into the blood.

Phosphagenics said that the pre-clinical study in an appropriate pain model demonstrated a significant reduction in pain after topical application of the TPM oxycodone formulation, as compared to a control.

The company said that the study found the opioid worked rapidly and did not enter the bloodstream.

Phosphagenics chief executive officer Dr Esra Ogru said the company was keen to expand its pain portfolio and progress further trials of topical TPM oxycodone technology.

"Delivering a powerful opioid like oxycodone topically has never been achieved commercially," Dr Ogru said.

"It has been widely assumed that opioids can only treat pain by systemic delivery, that is, via the blood stream," Dr Ogru said.

"Our study confirms more recent findings that opioid receptors are up-regulated in tissue in response to pain, particularly pain associated with inflammation," Dr Ogru said.

"There is no other company in the area of transdermal delivery of pain drugs progressing multiple products with multiple applications," Dr Ogru said.

"This potential new application of oxycodone to local pain further broadens our pain franchise," she said.

"Underpinning this entire platform is our TPM delivery technology which we are continuously demonstrating enables superior delivery of many compounds," Dr Ogru said.

Phosphagenics was up one cent or 6.9 percent to 15.5 cents.

BIOXYNE

Bioxyne says it has raised \$508,371 through the placement of 23,107,772 shares at 2.2 cents a share for its Vitality acquisition (BD: Feb 18, 2013).

Bioxyne said that the new shares came with one-for-two attaching options exercisable at four cents each by March 31, 2015.

The company said the placement was underwritten by Veritas Securities and major shareholder Phillip Asset Management.

Bioxyne said on February 18, Phillip Asset Management acting as trustee for IB Australian Bioscience Fund I would invest up to \$2.5 million in Bioxyne and Vitality at various stages of the proposed transaction.

Former Chemgenex executives and Vitality cofounders Dr Greg Collier and Dr James Campbell will become Bioxyne's executive chairman and chief executive officer, respectively, on completion of the transaction, expected in the next few months.

Bioxyne said that existing directors Anthony Ho, Jeremy Curnock Cook and Patrick Ford would continue as directors.

Bioxyne was untraded at 2.5 cents.

PHOSPHAGENICS

Phosphagenics says its revenue fell 16 percent to \$2,663,000 in the 12 months to December 31, 2012, taking the previous year's net profit after tax to a loss of \$11,055,000.

Phosphagenics said that the fall in revenue was "decrease in Elixia sales caused by the current challenging conditions of the Australian and international retail environment".

"Product sales decreased year on year by 48 percent, to \$1.3 million, again mainly due to the decrease of Elixia sales," Phosphagenics said.

The company said that the net loss after tax for the year was \$11.1 million as compared to a net profit after tax in 2011 of \$1.1 million and that in 2011 it elected to form a tax consolidated group, giving rise to an income tax benefit of \$13.8 million during that year.

Phosphagenics said that net tangible assets per security fell 21.4 percent from 2.8 cents in 2011 to 2.2 for the year December 31, 2012, with diluted loss per share was 1.08 cents compared to the previous year's earnings of 0.13 cents.

The company said it had \$16.9 million in cash and equivalents at December 31, 2012 compared to \$27.2 million for the previous corresponding period.

COGSTATE

Cogstate says its revenue for the six months to December 31, 2012 fell 12.4 percent to \$6,142,670 taking the previous period's net profit after tax to a loss of \$494,161.

Cogstate said that its clinical trials revenue for its cognition tests fell 15.4 percent to \$5,804,063 while sports sales increased 248.8 percent to \$271,734.

The company said the net tangible asset backing per share was constant at nine cents.

Cogstate said diluted loss per share was 0.7 cents compared to the previous corresponding period's diluted earnings per share of 4.6 cents.

The company said it held cash and cash equivalents of \$4,256,749 at December 31, 2012 compared to \$4,659,512 at June 30, 2012.

Cogstate was untraded at 35 cents.

NEURODISCOVERY

Neurodiscovery shareholders will vote on resolutions relating to the acquisition of Enigma Therapeutics to develop Oncosil (Psvida's Brachysil) for cancer (BD: Feb 7, 2013).

Neurodiscovery said the resolutions included a change of scale and nature of activities; the issue of 75,000,000 shares for the acquisition; the issue of 60,000,000 placement shares at 2.5 cents each; the issue of 25,000,000 options to Forrest Capital; approval to issue 1,000,000 placement shares at 2.5 cents a share to each of Bret Mattes and Simon O'Loughlin; and 1,000,000 options to each of Mr Mattes, Mr O'Loughlin and Neurodiscovery director David McAuliffe.

The meeting will be held at Unit 16, 589 Stirling Highway, Cottesloe, Western Australia, on March 28, 2013 at 9am (AWST).

Neurodiscovery was untraded at 3.5 cents

TISSUE THERAPIES

Tissue Therapies has requested a trading halt "pending an announcement regarding a proposed capital raising".

Trading will resume on February 25, 2012 or on an earlier announcement.

Tissue Therapies last traded at 28 cents.

MEDICINES AUSTRALIA

Medicines Australia says that chairman Mark Masterson will resign from the organization at the end of February 2013.

Medicines Australia said that Mr Masterson would take a "leadership role with a technology company".

The industry organization said that Medicines Australia director and Astrazeneca Australia and New Zealand managing-director Mark Fladrich would be acting chairman until a new independent chair was appointed.

CIRCADIAN TECHNOLOGIES

Circadian says that chief financial officer and company secretary Susan Madden will resign, effective from February 28, 2013.

Circadian said that Ms Madden had been appointed the commercial manager of South East Water.

The company said Ms Madden's replacement would be the subject of a further announcement.

Circadian was untraded at 28 cents.