



# Biotech Daily

Thursday February 21, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: PATRYS UP 9%, NEUREN DOWN 10%**
- \* **ATCOR H1 REVENUE UP 43% TO \$5.4m, TURNAROUND PROFIT \$2.3m**
- \* **PHYLOGICA REVENUE DOWN 90% TO \$134k, LOSS DOWN 19% TO \$1m**
- \* **CHINA GRANTS DIVISIONAL PATENT FOR BIODIEM'S BDM-I**
- \* **HARTNELL FAMILY, ROBINWOOD TAKE 15% OF ADVANCED SURGICAL**
- \* **MICK FARRELL SUCCEEDS RESMED CEO DR PETER FARRELL**

## MARKET REPORT

The Australian stock market fell 2.33 percent on Thursday February 21, 2013 with the S&P ASX 200 down 118.6 points to 4,980.1 points.

Five of the Biotech Daily Top 40 stocks were up, 18 fell, 13 traded unchanged and four were untraded. All three Big Caps fell.

Patrys was the best, up 0.3 cents or 9.4 percent to 3.5 cents with one million shares traded.

Psivida climbed 3.1 percent; Living Cell and Prana rose more than two percent; with Nanosonics up one percent.

Neuren led the falls, down 0.4 cents or 9.8 percent to 3.7 cents with 1.9 million shares traded.

Antisense lost 7.7 percent; Pharmaxis shed 6.6 percent; Cellmid and Prima fell four percent or more; Alchemia, Allied Health, Avita, Clinuvel, Sirtex, Starpharma and Sunshine Heart were down three percent or more; Cochlear, GI Dynamics and Mesoblast shed two percent or more; Circadian and Medical Developments were down more than one percent; with Acrux, CSL, QRX and Resmed down by less than one percent.

### ATCOR MEDICAL

Atcor says revenue for the six months to December 31, 2012, was up 42.6 percent to \$5,429,848 with a turnaround net profit after tax of \$2,268,297.

Atcor said that US sales of its Sphygmocor central blood pressure diagnostic were up 54 percent “driven by strong pharmaceutical and research sales”.

The company said that given European conditions, matching previous year’s sales was “a respectable outcome”.

Atcor said sales were up 18 percent in Australia and New Zealand but declined in Asia.

The company said that net tangible asset per share was up 81.25 percent to 2.9 cents and diluted earnings per share was 1.51 cents compared to a loss of 0.63 cents in the previous corresponding period.

Atcor said that cash and cash equivalents at December 31, 2012 was \$2,138,183 compared to \$1,117,306 at June 30, 2012.

Atcor was up 2.7 cents or 34.6 percent to 10.5 cents with 10.7 million shares traded.

### PHYLOGICA

Phylogica says revenue for the six months to December 31, 2012 fell 90.30 percent to \$134,000 with net loss after tax reduced 18.85 percent to \$1,158,000.

Phylogica said the loss was reduced “due to a receipt of \$1,879,000 research and development tax rebate”.

The company said there had been progress with existing alliances including Janssen Biotech and Le Métier but new alliances had taken longer to negotiate.

Phylogica said that the companies that delayed ongoing discussions due to internal restructurings had “reemerged with maintained interest in the Phylomer platform”.

The company said its net tangible assets per share fell 36.4 percent to 0.7 cents and diluted loss per share fell 40 percent to 0.21 cents.

Phylogica said it had cash and cash equivalent of \$3,628,654 at December 31, 2012 compared to \$2,779,090 at June 30 2012.

Phylogica was unchanged at 2.8 cents.

### BIODIEM

Biodiem says China has granted a divisional patent relating to its antimicrobial compound BDM-I supporting a parent patent granted in 2010.

Biodiem said the divisional patent gave additional patent application for BDM-I while keeping the priority rights from its original application and strengthened claims for BDM-I and compounds related to it chemically; the use of BDM-I as a preventive and therapeutic compound against an array of infectious diseases; and BDM-I’s effectiveness against a broad range of micro-organisms which cause serious human disease including tuberculosis, pneumonia, meningitis, malaria, sexually transmitted and many other diseases caused by bacteria, fungi and protozoa.

Biodiem chief executive officer Julie Phillips said that the divisional patent would “allow us to pursue a broader range of licensing opportunities in the Chinese jurisdiction”.

“Biodiem will continue to increase the out-licencing value of BDM-I by developing data to support the compound’s broad-spectrum antimicrobial activity,” Ms Phillips said.

The company said that patent applications for BDM-I had been granted in Europe, Japan, the US, China, Russia, Singapore and Australia.

Biodiem fell 0.4 cents or 9.5 percent to 3.8 cents.

## ADVANCED SURGICAL DESIGN & MANUFACTURE

The Hartnell family, through Robinwood Investments has become a substantial shareholder in Advanced Surgical with the acquisition of 6,164,112 shares (14.9%) The initial substantial shareholder notice said that the Sydney and Bowral New South Wales based Hartnell family and Robinwood acquired 756,763 shares for \$94,758 or an average price of 12.5 cents a share.

Advanced Surgical was untraded at 12 cents.

## RESMED

Resmed says that chief executive officer Dr Peter Farrell's son Mick Farrell will assume the role of chief executive officer, effective March 1, 2013.

Resmed said that Mr Farrell would be appointed a director, while Dr Farrell will continue as executive chairman and Robert Douglas would be the company's president and chief operating officer.

The company said that Mr Farrell and Mr Douglas would comprise the office of the chief executive officer and Dr Farrell would work with them on an as-needed basis to the end of 2013, when he would transition to non-executive chairman.

Resmed said that Dr Jim Hollingshead had been named president for the Americas.

In 2011, Resmed directors were surprised when then chief executive officer and president Kieran Gallahue, appointed the company's chief executive officer on January 1, 2008, quit to join the San Diego based Carefusion (BD: Feb 2, 2011).

Dr Farrell continued as executive chairman while the company looked for a replacement.

Today Resmed said that "a thorough review of potential candidates ... was conducted"

Director Dr Gary Pace said it was "easily determined that members of the very talented and experienced team that have driven much of the company's great success over the past decade would be best suited to lead the company to its next stages of growth and development".

Dr Pace said that Mr Farrell led the team in the Americas that increased sales more than 30 percent during the seven quarters that he was president of that region.

Resmed said that before joining the company in 2001, Mr Farrell worked in management consulting and biotechnology, as well as in chemicals and steel manufacturing at Arthur D. Little, Genzyme Corp, the Dow Chemical Co and BHP Billiton.

Mr Farrell holds a Bachelor of Engineering from the University of New South Wales, a Master of Science in chemical engineering from the Massachusetts Institute of Technology (MIT) and a Master of Business Administration from the MIT Sloan School of Management.

Resmed said that Mr Douglas was formerly an executive at Keycorp and head of operations, project management and engineering at Teletronics Pty Ltd.

The company said that Mr Douglas held a Bachelor of Electrical Engineering and a Bachelor of Science from the University of New South Wales and a Master of Business Administration from Macquarie University.

Resmed fell four cents or 0.95 percent to \$4.18 with 3.5 million shares traded.