



Biotech Daily

Tuesday March 12, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ATCOR UP 5%, VIRALYTICS DOWN 9%**
- * **PHARMAXIS' DR ALAN ROBERTSON GOES, GARY PHILLIPS NEW CEO**
- * **HEARTWARE TO RAISE ABOUT \$125m**
- * **MEDICAL AUSTRALIA UK 5-YEAR DEAL**
- * **CONSEGNA 25:1 CONSOLIDATION**

MARKET REPORT

The Australian stock market fell 0.56 percent on Tuesday March 12, 2013 with the S&P ASX 200 down 29.0 points to 5,117.9 points.

Five of the Biotech Daily Top 40 stocks were up, 17 fell, 12 traded unchanged and six were untraded.

Atcor was the best, up 0.5 cents or 4.8 percent to 11 cents, with 15,727 shares traded.

Bionomics and Sirtex climbed more than three percent; Patrys rose 2.4 percent; Anteo was up 1.6 percent; with Cochlear and CSL up by less than one percent.

Viralytics led the falls, down three cents or 9.4 percent to 29 cents with 22,000 shares traded.

Pharmaxis fell 8.4 percent; Medical Developments and Neuren lost more than five percent; Prana, QRX and Tissue Therapies fell four percent or more; Allied Health and Circadian were down more than three percent; Alchemia and Living Cell shed more than two percent; GI Dynamics and Mesoblast were down more than one percent; with Heartware, Osprey, Resmed, Starpharma and Universal Biosensors down by less than one percent.

PHARMAXIS

Pharmaxis founding chief executive officer Dr Alan Robertson has resigned after 13 years in the job and one week ahead of an important US Food and Drug Administration meeting. Chief operating officer Gary Phillips has been promoted to chief executive officer.

On March 18, 2013 the FDA is expected to rule on the Pharmaxis application for Bronchitol for cystic fibrosis for patients over six years old.

The FDA Pulmonary-Allergy Drugs Advisory Committee voted against Bronchitol, but some observers believe that a label change to non-paediatric use might be successful (BD: Jan 31, 2013).

Today, Pharmaxis said it expected it would "need to request a meeting with the FDA in the second quarter of calendar 2013 to clarify any additional requirements the FDA may have".

Dr Robertson, 57, told Biotech Daily that he expected to take some time off but would continue as a consultant to the Pharmaxis.

Dr Robertson said he would continue as a director of Patrys and private company Advent Pharmaceuticals.

Prior to founding Pharmaxis, Dr Robertson was an advisor to GBS Venture Partners and before that, was the head of drug development at Amrad.

Dr Robertson was a senior research scientist at Wellcome PLC in London having invented the anti-migraine drug Zomig (zolmitriptan), distributed by Astrazeneca.

Pharmaxis said that Mr Phillips had been the chief operating officer for five years, having joined the company when it listed on the ASX in 2003.

Pharmaxis chairman Malcolm McComas said that the company was "facing likely delays in the commercialization of Bronchitol in the United States".

"Gary Phillips will review the current business model and implement a number of changes aimed at securing Pharmaxis' position as a commercially successful pharmaceutical company and maximizing shareholder value," Mr McComas said.

Mr McComas said that Mr Phillips had more than 30 years experience in the pharmaceutical sector and was previously a chief executive officer of Novartis group companies in Europe, Asia and Australia.

Mr Phillips told Biotech Daily that he had served as the chief executive officer on Novartis in Hungary as well as the Asia region head and the head of Novartis Australia.

Mr Phillips holds a Bachelor of Pharmacy from the University of Nottingham and a Master of Business Administration from Henley Management College.

"We thank Alan Robertson for his contribution to Pharmaxis since its inception as a venture capital funded start-up," Mr McComas said.

"He has created a substantial business and has led the development of a much needed, novel treatment for cystic fibrosis," Mr McComas said.

"The board acknowledges his vision and tenacity in steering Bronchitol and Aridol through complex clinical trials, regulatory approvals and reimbursement processes in global markets," Mr McComas said.

Mr Phillips said the company was committed to making Bronchitol available to the world's largest cystic fibrosis market, the US, and an analysis of the cost and likely timing of fulfilling any FDA requirements was fundamental to a review of its business model.

Mr Phillips said that the outcome of the likely meeting with the FDA regarding Bronchitol on March 18, 2013 and the outcome of the phase III Bronchiectasis trial were key to determining any necessary changes to the Company's business model.

Mr Phillips said there would be "clarity around both issues" by July 2013, when more specific guidance would be provided.

Pharmaxis fell five cents or 8.4 percent to 54.5 cents.

HEARTWARE INTERNATIONAL

Heartware says it hopes to place 1,500,000 shares of common stock equivalent to 52,500,000 Chess depositary interests (CDIs), but did not disclose a price.

Heartware's head of corporate communications Chris Taylor told Biotech Daily that pricing was expected to be set at the close of the market tomorrow (Tuesday US time), when orders were finalized.

At today's closing price of \$2.39 per CDI the company would raise \$125,475,000 if all stock was placed.

Heartware said it intended to grant the underwriters an option to purchase up to an additional 225,000 shares of common stock to cover over-allotments, if any.

The company said it would use the funds for working capital and general corporate purposes.

Heartware said JP Morgan Securities was the sole book-running manager.

Heartware fell two cents or 0.8 percent to \$2.39.

MEDICAL AUSTRALIA

Medical Australia says it has a five-year agreement with North Middlesex University Hospital to provide irrigation and intra-venous administration sets.

Medical Australia said that the agreement was for the first group of products to be accepted on the UK National Health Service register, providing the opportunity for further agreements in the UK.

Medical Australia said that North Middlesex University Hospital was a leading British hospital and would act as a reference site to market to more than 2,000 NHS hospitals.

Medical Australia managing director Mark Donnison said the supply agreement was "a real milestone ... as it increases our visibility in the UK market".

The company said the contract built on its revenue base and provided additional financial flexibility to invest in its UK animal healthcare operations.

"Our licencing agreement with Medivet to supply regenerative stem-cell therapy technology to the animal healthcare market is progressing well and we are experiencing solid acceptance of the technology amongst veterinary practitioners," Mr Donnison said.

Medical Australia was untraded at 0.9 cents.

CONSEGNA GROUP

Consegna says that pending shareholder approval at a March 28 meeting, the 25-to-one consolidation will be completed on April 16, 2103.

Consegna said that the last day of pre-consolidation trading would be April 2, with the record date for consolidation, April 9, 2013.

Consegna fell 0.1 cents or 16.7 percent to 0.5 cents.