



Biotech Daily

Wednesday March 13, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: TISSUE THERAPIES UP 2%, CELLMID DOWN 10%**
- * **HUGH ALSOP REPLACES HATCHTECH CEO DR ROSS MACDONALD**
- * **STARPHARMA, MAKHTESHIM AGAN AGRI-COLLABORATION**
- * **CELLMID RAISES \$2m**
- * **CONSEGNA OPTIONS RIGHTS ISSUE FOR \$420k**
- * **HEARTWARE SETS PRICE TO RAISE \$125m**
- * **TANG WEN SEN DILUTED BELOW 5% OF AGENIX**

MARKET REPORT

The Australian stock market fell 0.5 percent on Wednesday March 13, 2013 with the S&P ASX 200 down 25.5 points to 5,092.4 points.

Five of the Biotech Daily Top 40 stocks were up, 21 fell, eight traded unchanged and six were untraded. All three Big Caps fell.

Tissue Therapies was the best of the few, up 0.5 cents or 2.1 percent to 24.5 cents, with 268,351 shares traded.

Genetic Technologies and Nanosonics climbed more than one percent; with Clinuvel and Mesoblast up by less than one percent.

Cellmid led the falls, down half a cent or 10 percent to 4.5 cents with 22.9 million shares traded.

Medical Developments and Optiscan lost more than eight percent; Benitec fell 7.7 percent; Allied Health and Pharmaxis were down more than six percent; Neuren was down 5.6 percent; Atcor, Prima and Psivida all fell 4.55 percent; Avita, Bionomics and Viralytics were down more than three percent; Prana shed 2.1 percent; Alchemia, Cochlear, GI Dynamics, Phosphagenics and Sirtex were down more than one percent; with Acrux, CSL, QRX, Resmed and Starpharma down by less than one percent.

HATCHTECH, PHOSPHAGENICS

Former Phosphagenics head of operations Hugh Alsop has replaced Dr Ross Macdonald as the chief executive officer of Hatchtech.

Hatchtech is preparing for a pivotal US registration-directed, phase III trial of its Deovo head lice ovicide treatment.

Hatchtech said that Dr Macdonald would continue as a director.

Last year, Mr Alsop left Acrux to join Phosphagenics as its head of operations and business development (BD: Mar 6, 2012).

Mr Alsop told Biotech Daily at that time that he was part of the Acrux team that commercialized the Axiron transdermal testosterone replacement therapy and would be heavily involved in Phosphagenics transdermal oxycodone program, which had "a very similar regulatory pathway" to Axiron.

Today, Mr Alsop told Biotech Daily that Acrux had taken the application to the US Food and Drug Administration prior to the licencing of Axiron to Eli Lilly.

Mr Alsop said he had worked in the pharmaceutical industry for more than 15 years and prior to Acrux, was employed by Sigma Pharmaceuticals, and before that spent eight years with Faulding, which became Mayne Pharma, which was acquired by Hospira.

Mr Alsop holds a Bachelor of Science degree in chemistry from the University of Melbourne and a Master of Business Administration from the Melbourne Business School. Hatchtech was founded by the University of Melbourne Centre for Animal Biotechnology deputy director Dr Vern Bowles, who continues as the company's chief scientist.

Dr Paul MacLeman was the company's chief executive officer from 2005 to 2009 when he was appointed Genetic Technologies chief executive officer and was replaced by Tim Waugh (BD: Apr 21, 2009).

At that time Dr Stewart Washer was the Hatchtech chairman and the major investor was GBS Venture Partners.

Hatchtech's chairman Dr Paul Kelly is a partner at Oneventures and QIC Bioventures chief executive officer Dr Cherrell Hirst is a director, as is GBS Venture's Ben Gust and Uniseed biotechnology investment manager Dr John Kurek.

Last year, Hatchtech raised \$7.8 million and appointed Dr Macdonald as its chief executive officer ahead of the pivotal phase III trials of its Deovo head lice treatment (BD: May 2, 2012).

In 2010 Hatchtech raised \$6.7 million for a phase IIb trial and in 2011 said that a 140 patient trial showed statistical significance in killing both lice and their eggs (BD: Oct 26, 2010; Dec 16, 2011).

In May 2012, Dr Macdonald told Biotech Daily that the company would need about \$23 million for the 120-patient phase III pivotal trial.

In September last year, the company said it was on-track to initiate the phase III trial program by the end of the year (BD: Sep 4, 2012)

In December, Hatchtech said it had raised \$6 million for its phase III trial of its Deovo head lice and egg treatment from new investors, including Brisbane Angels and investors introduced by Oneventures, along with long-term investors, the University of Melbourne and the Queensland Biotechnology Fund (BD: Dec 13, 2012).

Dr Hirst told Biotech Daily that the phase III trial design had been approved by the FDA, pending pharmaco-kinetic studies and other pre-trial preparatory work.

Dr Hirst said that pending a successful new drug application to the FDA, Deovo would be the only drug with a valid ovicidal claim.

Hatchtech is a private company.

Phosphagenics fell 0.25 cents or 1.8 percent to 13.75 cents.

STARPHARMA HOLDINGS

Starpharma says it will collaborate with Israel's Makhteshim Agan applying its Priostar dendrimer technology to crop protection formulations.

Starpharma said that Makhteshim Agan was "the world's leading manufacturer and distributor of branded off-patent crop and non-crop protection products, with 2012 global sales of \$US2.83 billion ... [serving] farmers in 120 countries and operates in Australia as Farnoz".

Starpharma said the program included the development of new formulations of a number of active ingredients, including three with total market sales for 2011 of more than \$400 million.

The company said that the terms of the agreement were confidential.

Starpharma chief executive officer Dr Jackie Fairley said the collaboration extended its dendrimer technology in agrochemicals.

"This partnership which involves multiple products in major global markets represents an exciting and valuable commercial opportunity for our Priostar dendrimers," Dr Fairley said. Starpharma said that its Priostar dendrimers could improve product efficacy for agrochemical companies and end-user growers.

The company said that more concentrated formulations would reduce supply chain costs, make handling easier, reduce solvent loading and improve bioavailability.

Starpharma fell half a cent or 0.4 percent to \$1.165.

CELLMID

Cellmid has raised \$2,030,000 through a placement of 50,000,000 shares at four cents each and 30,000,000 options at 0.1 cents.

The company said the options were exercisable at five cents each, by March 19, 2014.

Cellmid said the funds would "strengthen marketing of its Évolis hair growth products ... [and] continue the company's diagnostic and therapeutic antibody product development programs".

Cellmid fell half a cent or 10 percent to 4.5 cents with 22.9 million shares traded.

CONSEGNA GROUP

Consegna hopes to raise \$420,000 through a one-for-three non-renounceable options rights issue at two cents per option, exercisable at 30 cents each by April 30, 2017.

Last month, Consegna said its share plan and placement at 0.4 cents a share raised \$454,500 and \$178,000 respectively for a total of \$632,500 (BD: Feb 15, 2013).

Today, Consegna said the options rights issue would follow its 25-to-one consolidation, pending shareholder approval, and the funds raised would be used to advance its programs.

Consegna said the record date for the options rights issue would be April 22, the offer would open on April 26, and close on May 10, 2013.

The company said that an extraordinary general meeting to approve the consolidation would be held on March 28, 2013.

Consegna was unchanged at 0.5 cents with 1.6 million shares traded.

HEARTWARE INTERNATIONAL

Heartware says the placement of 1,500,000 shares of common stock, announced yesterday, will be at \$US86.45 per US share (BD: Mar 12, 2013).

The placement is equivalent to 52,500,000 Chess depositary interests (CDIs), at \$2.39 which would raise \$125,475,000 if all stock was placed.

Heartware said yesterday 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.

Heartware was unchanged at \$2.39.

AGENIX

Tang Wen Sen says his 2,800,000 share holding in Agenix has been diluted below five percent through a rights issue.

The Hong Kong-based Tang Wen Sen said he held 4.753 percent of Agenix.

Agenix was untraded at 2.7 cents.