Biotech Daily

Thursday March 21, 2013

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH DOWN: BENITEC UP 9%, PHYLOGICA 9%**

*** OSPREY ENROLS 1st CINCOR DYE REDUCTION, REMOVAL PATIENT**

*** VIRALYTICS SPEEDS CAVATAK ENROLMENT TO 25 MELANOMA PATIENTS**

*** INVESTORS MUTUAL TAKES MORE PROFIT ON MAYNE PHARMA**

*** HEALTHLINX $1m MYSTERY LENDER; REVELINS REPLACES GATSIOS**

*** EURO PATENT FOR OBJ DERMAPORTATION**

*** ACUVAX SUSPENSION FOR EGM SCALE OF ACTIVITIES VOTE**

MARKET REPORT

The Australian stock market slipped 0.16 percent on Thursday March 21, 2013 with the S&P ASX 200 down 7.9 points to 4,959.4 points.

Eight of the Biotech Daily Top 40 stocks were up, 17 fell, 10 traded unchanged and five were untraded.

Benitec was the best, up 0.1 cents or 9.1 percent to 1.2 cents, with 1.9 million shares traded.

Viralytics climbed five percent; Phosphagenics was up four percent; Anteo and Clinuvel were up more than three percent; Psivida rose two percent; Mesoblast and Resmed were up more than one percent; with Heartware up 0.8 percent.

Phylogica led the falls, down 0.2 cents or 8.7 percent to 2.1 cents with 899,500 shares traded.

Circadian, Medical Developments and Optiscan fell five percent or more; Prana and Prima fell more than four percent; Atcor and Tissue Therapies were down three percent or more; Living Cell, Patrys, QRX and Reva shed more than two percent; Alchemia, Bionomics and Starpharma were down more than one percent; with Acrux, Cochlear, CSL and Sirtex down by less than one percent.

OSPREY MEDICAL

Osprey says it has enrolled the first patient at the Leipzig Heart Centre in Germany in its Cincor clinical trial to reduce kidney damage from cardiac angiography dye.

Osprey said the dye was used for x-rays during coronary angiography and stenting, but could cause irreversible kidney damage, known as contrast induced nephropathy.

The company said the Cincor system both reduced the amount of dye injected and removed a significant quantity of dye as it left the coronary sinus, the heart's main drainage vein, before reaching the kidneys.

Osprey said that there was no approved effective way to prevent the dye from reaching the kidneys.

The company said that the registration-directed investigational device exemption pivotal trial would enrol 600 patients in 30 centres and the results would support a US Food and Drug Administration 510(k) regulatory submission which was expected by the end of 2014.

Osprey said that three US hospitals had approved the trial and were ready to recruit, while the first patient was enrolled at the Leipzig Heart Center by Dr Steffen Desch.

The company said that about 25 percent of patients undergoing coronary angiography and stenting were at high risk of acquiring contrast induced nephropathy due to their pre-existing kidney disease.

Osprey said that contrast induced nephropathy could have a significant impact on patients, including longer hospitalization, reduced kidney function, increased risk of heart disease, total kidney shut down and significant increase in likelihood of death.

Osprey said it would collect health economic data on US patients for 12 months after the procedure and while the data was not required for US approval, it would be useful for marketing Cincor by demonstrating longer-term economic outcomes to hospitals and payers.

Osprey chief executive officer Mike McCormick said that patients who developed contrast induced nephropathy "generally require an average of four days of additional hospitalization, often in an intensive care unit".

"These additional services can cost hospitals up to $4,000 per day," Mr McCormick said.

"These costs are generally borne by the hospital and are usually not reimbursed by insurers," Mr McCormick said.

Osprey was untraded at 47 cents.

VIRALYTICS

Viralytics says it has enrolled 25 patients of the planned 63 patients in its phase II trial of Cavatak for late stage melanoma

Viralytics said that enrollment had "accelerated significantly in the past three months" compared with 13 enrolled patients in October 2012 (BD: Oct 20, 2011; Oct 22, 2012).

The company said that recruitment was active across eight US clinical trial sites, with all patients receiving multiple intra-tumoral injections of Cavatak and it hoped to have 54 evaluable patients from the total of 63 patients.

Viralytics said that patient treatment began in January 2012, with the trial investigating the clinical efficacy and safety of Cavatak in patients with stage III C or stage IV melanoma.

The company said that each patient would receive a series of 10 intra-tumoral injections of Cavatak and those who benefited from Cavatak over the first six months could enter an extension trial and receive a further nine doses to complete a 48 week study period.

Viralytics chief executive officer Dr Malcolm McColl said that the "rapid increase in patient recruitment is very encouraging".

Viralytics was up 1.5 cents or five percent to 31.5 cents.

MAYNE PHARMA

Investors Mutual has reduced its holding in Mayne Pharma below substantial with the sale of 750,000 shares for $351,075 or 46.81 cents a share.

Last week Investors Mutual said it had reduced its substantial holding in Mayne Pharma from 30,008,818 shares (6.47%) to 28,700,000 shares (5.19%), but today corrected the latter percentage to 5.10 percent (BD: Mar 18, 2013).

With a holding of 27,950,000 shares Investors Mutual owns about 4.96 percent to Mayne Pharma.

In the previous substantial shareholder notice, the Sydney-based Investors Mutual, which is 47.5 percent owned by Treasury Group, said it acquired 4,250,000 shares for $1,253,750 or 29.5 cents a share and sold 5,558,818 shares for $2,182,460 or 39.3 cents a share.

Mayne Pharma was up 1.5 cents or 3.3 percent to 47 cents with 1.6 million shares traded.

HEALTHLINX

Healthlinx says director Nick Gatsios has resigned and an unnamed lender will provide $1,000,000 through a loan and convertible bond via Gleneagle Securities Nominees.

Healthlinx said that the Sydney-based Gleneagle Securities Nominees would provide the funds in two tranches, with $250,000 within three business days of completing registration and documentation and $750,000 subject to definitive documents, due diligence and shareholder approval.

While Gleneagle Securities' website names "partners" including Morgan Stanley, Westpac Bank, Nomura and Deutsche Bank along with one client Velocity Capital, the group does not disclose the names of any of its principals.

When Biotech Daily called the company's main telephone number it was answered with a recorded message saying it was "the global dealing desk".

Healthlinx said the funds would be used to meet the operating needs of the company and to advance the commercialization of the Ovplex ovarian cancer test.

Late last year Healthlinx said the agreement to licence Ovplex to Mane Cancer Diagnostics had expired as sale conditions had not been met, but the two companies would continue negotiations (BD: Jan 20,2013).

Today, Healthlinx said that Gleneagle would be granted a first ranking fixed and floating charge over the assets of the company, the right to appoint three nominee directors and subject to shareholder approval, certain rights to have funds repaid with interest, as well as Gleneagle having the right to convert the facility plus accrued interest into shares at a conversion price of 0.2 cents a share and receive an allotment of 35 million options exercisable at 0.2 cents within three years.

Healthlinx said that former chief executive officer Nick Gatsios had resigned today, with Trent Telford and Richard Revelins appointed as directors.

The company said that the Sydney-based Mr Telford was a founder and director of Cocoon Data and had more than 15 years of experience in cross border capital raising and technology commercialization.

Healthlinx said that the California-based Mr Revelins had more than 25 years experience in raising capital for ASX-listed companies, an executive director and principal of Melbourne's Peregrine Corporate and the managing director of Capello Capital, as well as a director of companies including Prana Biotechnology and formerly Prima Biotechnology, Select Vaccines and IM Medical.

Healthlinx was up as much as 100 percent to 0.2 cents before closing unchanged at 0.1 cents with 4,000,000 shares traded.

OBJ

OBJ says the European Patent Office has granted a patent entitled ‘Apparatus for the Facilitating Transdermal Delivery of Therapeutic Substances’.
OBJ said that the patent protected the Dermaportation powered magnetic delivery technology.
The company said that patent was allowed last year and that the full granting was subject to translation and filing in each of the European member countries.
OBJ said that Dermaportation employed a micro-processor controlled magnetic enhancement system, with “sufficient computing power to provide a number of additional consumer-focused value-added capabilities such as web programability, smart-phone connectivity and personalized treatments”.
The company said the capabilities had been incorporated into the Eskin product platform, which was the subject of a collaboration with and unnamed cosmetic and fragrance company.
OBJ fell 0.1 cents or 7.1 percent to 1.3 cents with 2.8 million shares traded.

ACUVAX

Acuvax has been granted a voluntary suspension “pending the outcome of a resolution at the company’s general meeting to approve a change in the scale of the company’s activities”.
Acuvax last traded at 0.1 cents.