



Biotech Daily

Monday April 15, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: ELLEX UP 11%, CELLMID DOWN 9%**
- * **LBT, HETTICH JV FOR AUTOMATED PLATE ASSESSMENT**
- * **US ORPHAN STATUS FOR BENITEC, GENABLE GT308 RP PROGRAM**
- * **PHOSPHAGENICS, THEMIS SELL TPM-DICLOFENAC TO NOVARTIS**
- * **TWO BIOTECHS AWARDED \$250k VICTORIAN TECHNOLOGY VOUCHERS**
- * **BANK OF NEW YORK MELLON TAKES 5% OF COCHLEAR**
- * **GRAHAM EDWARDS, MONTOYA TAKE 6% OF PHARMAXIS**
- * **CYCLOPHARM AGM TO VOTE ON 1.7m M-D SHARES**

MARKET REPORT

The Australian stock market fell 0.91 percent on Monday April 15, 2013 with the S&P ASX 200 down 45.6 points to 4,967.9 points.

Eleven of the Biotech Daily Top 40 stocks were up, 13 fell, 11 traded unchanged and five were untraded. All three Big Caps fell.

Ellex was the best, up two cents or 11.4 percent to 19.5 cents with 5,000 shares traded, followed by Phosphagenics up 8.3 percent to 13 cents with 2.4 million shares traded.

Benitec and Genetic Technologies climbed more than seven percent; Reva was up 6.4 percent; Prana was up five percent; Medical Developments, Prima and QRX were up more than one percent; with Clinuvel and Psivida up by less than one percent.

Cellmid led the falls, down 0.3 cents or 8.6 percent to 3.2 cents, with 4.0 million shares traded, followed by Pharmaxis down 7.1 percent to 32.5 cents with 1.5 million shares traded.

Osprey and Viralytics lost more than six percent; Atcor, Circadian and Universal Biosensors fell more than five percent; Living Cell and Starpharma fell four percent or more; Bionomics and Mesoblast shed more than two percent; Acrux, Cochlear and Sirtex were down more than one percent; with CSL and Resmed down by less than one percent.

LBT INNOVATIONS

LBT says it has an option agreement for Hettich AG Switzerland to complete the development and commercialization of its automated plate assessment system (Apas). LBT said the agreement allowed one month exclusivity while the two parties completed due diligence and sought to agree the terms of a potential relationship.

The company said that Hettich would provide the funds and LBT would provide the Apas intellectual property in a joint venture.

Hettich's website describes the company as "a daughter company of [Germany's] Andreas Hettich GmbH which is well-known ... for manufacturing centrifuges".

LBT said that Apas allowed for "full automation of the routine imaging, interpretation and reporting of bacteria grown on culture-plates in microbiology laboratories, which LBT has been developing with researchers from the University of Adelaide since 2010".

The company said that Apas was "a natural successor to [its] Microstreak plate streaking technology" launched by France's Biomérieux, in 2009.

LBT chairman Bob Finder said the company had been looking for a suitable partner to finalize the commercial development of the technology and pave the way for its launch.

"We are impressed by the global manufacturing and marketing experience of Hettich AG Switzerland," Mr Finder said.

Hettich AG owner Klaus-Günter Eberle said that LBT "would be an ideal partner for our growing portfolio of integrated laboratory solutions".

"Apas is a natural fit for our expanding automation aspirations and a relationship with LBT would support our ambitions to expand our global microbiology business," Mr Eberle said.

LBT chief executive officer Lusia Guthrie said that a relationship with Hettich AG Switzerland "would provide strong engineering, manufacturing and distribution links close to our target markets, as well as giving LBT greater participation in the path to market for our technology".

LBT fell 0.2 cents or four percent to 4.8 cents.

BENITEC BIOPHARMA

Benitec says the US Food and Drug Administration has granted licensee Genable Technologies orphan drug designation for GT308 for retinitis pigmentosa.

In 2012 Benitec said the Dublin, Ireland-based Genable had the right to use the DNA directed RNA interference (ddRNAi) technology to target genes to treat rhodopsin-linked autosomal dominant retinitis pigmentosa (BD: Jul 10, 2012).

Today, Benitec said GT308 was a two-part therapy, with Genable using ddRNAi to suppress the defective gene (rhodopsin) responsible for the loss of vision and the second part of the therapy replaced the defective rhodopsin gene with a healthy form of the gene. The company said that suppression and replacement strategy was similar to Benitec's ocular-pharyngeal muscular dystrophy program, in collaboration with the Royal Holloway, University of London.

Benitec said that orphan drug designation was granted to help advance the development of therapies to treat rare diseases and Genable already had European Commission orphan drug designation for retinitis pigmentosa.

The company said there were about 300,000 retinitis pigmentosa patients, half of whom were in Europe.

Benitec chief executive officer Dr Peter French said that FDA orphan status for Genable's retinitis pigmentosa program meant that Genable "would gain seven years of market exclusivity once the product is approved, which is great news for Genable and Benitec".

Benitec was up 0.1 cents or 7.7 percent to 1.4 cents with 2.7 million shares traded.

PHOSPHAGENICS

Phosphagenics says that commercial partner Themis Medicare will supply tocopheryl phosphate mixture or TPM-diclofenac gel to Novartis India to distribute and sell.

The Mumbai, India based Themis said that it would manufacture and supply finished dosage pharmaceutical form TPM-diclofenac to Novartis “on certain commercial terms and conditions”.

Diclofenac is a non-steroidal anti-inflammatory drug a range of medical uses and is marketed by Novartis as Voltaren.

Phosphagenics said that Novartis India was a subsidiary of the Swiss Novartis International AG, the global market leader of diclofenac products with sales exceeding \$700 million for both the transdermal and oral forms.

The company said that the “endorsement by Novartis India is a significant validation of our TPM technology by a global pharmaceutical company”.

Phosphagenics said it would leverage its TPM technology across multiple markets to create commercial opportunities.

Phosphagenics was up one cent or 8.3 percent to 13 cents with 2.4 million shares traded.

VICTORIAN GOVERNMENT

The Victorian Government has awarded Universal Biosensors and Intellimedical Technologies \$250,000 each in Technology Implementation Vouchers.

Technology Minister Gordon Rich-Phillips said that seven companies were awarded a total of \$1.6 million in vouchers and the funding would allow them access to industrial biotechnology, small technologies or information and communication technologies as part of the Victorian Government’s \$9 million Technology Voucher Program, created to enable companies to connect with high-tech service providers to improve their productivity and competitiveness.

Universal Biosensors said its voucher would fund the Commonwealth Scientific and Industrial Research Organisation projects aimed at broadening the application of the company’s immunoassay technology to the cardiac market.

Intellimedical Technologies said the State Government voucher would assist in the development and testing of the Intelliwire steerable micro-guidewire device for use in interventional medical procedures.

The Scoresby, Victoria-based Intellimedical Technologies was established by cardiac anaesthetist Dr Elli Tutungi, former Optiscan chief executive officer Vicki Tutungi, cardiothoracic surgeon Dr Aubrey Almeida and mechanical engineer Dr Geoff Rogers. The company’s website credits Dr Rogers as the Intelliwire inventor.

Mr Rich-Phillips said the technology vouchers supported businesses “to collaborate with suppliers in order to develop, adapt or adopt industrial biotechnology, small technologies and advanced [information and communications technology] based innovations for new practice or new markets”.

“Victoria has world-leading capabilities and expertise when it comes to technologies and these vouchers will go a long way to supporting companies to access these facilities, goods, services advice or expertise,” Mr Rich Phillips said.

“In addition to the vouchers, as part of the program, we have also established a Technology Capability and Supplier Searchable Directory, listing companies and organizations that can provide services to voucher applicants,” Mr Rich-Phillips said.

“The directory includes over 180 Technology Voucher Program listed suppliers and enables users to easily connect applicant needs with supplier capabilities.”

For further information visit www.business.vic.gov.au/tvp.

COCHLEAR

The Bank of New York Mellon says it has returned to being a substantial shareholder in Cochlear with the acquisition of 2,863,356 shares or 5.02 percent.

The substantial shareholder notice said the Wall Street New York bank acquired the shares on behalf of related companies, MBSC Securities, Dreyfus Corp and Walter Scott and Partners during the previous four months, but failed to disclose the purchase price. In 2011, the Bank of New York Mellon has ceased its substantial shareholding in Cochlear with the sale of 2,814,771 of the 2,847,424 shares or 5.02 percent it acquired the previous month (BD: Aug 29, 2011).

The July 2011 initial substantial shareholder notice said the bank acquired the shares on behalf of related companies, MBSC Securities, Dreyfus Corp, Walter Scott and Partners and Ankura Capital, over the previous four months but failed to disclose the acquisition prices (BD: Jul 21, 2011).

The August 29, 2011 notice said the shares were sold for \$71.87 each.

Cochlear fell 86 cents or 1.4 percent to \$60.19 with 386,272 shares traded.

PHARMAXIS

Montoya Investments and Graham Edwards have increased their substantial shareholding in Pharmaxis from 16,991,165 shares (5.5%) to 19,123,830 shares (6.2%).

The change of substantial shareholder notice said that Montoya acquired the 2,132,665 shares between April 9 and April 12, 2013 for prices between 31.86 cents and 34.07 cents.

In February, the Montoya initial substantial shareholder notice said that the Lower Hutt, New Zealand -based company primarily bought shares from February 2011 at prices ranging from 85.4 cents a share to \$2.69 a share, with the single largest acquisition 4,000,000 shares at 73.9 cents a share on January 31, 2013, the day the US Food and Drug Administration Committee voted against approving Bronchitol for cystic fibrosis (BD: Jan 31, Feb 4, 2013).

Montoya said it sold 5,850,000 shares for \$1.04 a share on December 23, 2011.

Pharmaxis fell 2.5 cents or 7.1 percent to 32.5 cents with 1.5 million shares traded.

CYCLOPHARM

Cyclopharm shareholders will vote on a resolution to 1,723,456 'incentive' shares to managing director James McBrayer and provide \$405,012 to buy the shares.

Mr McBrayer said that the shares, worth 23.5 cents each, would not vest until two years after the annual general meeting.

The company said that other resolutions included a share buy-back of up to 25 percent of shares on issue, the adoption of the remuneration report and the re-election of director David Heaney.

The meeting will be held at Ground Floor, Interactive Zone of the Australian School of Advanced Medicine, 2 Technology Place Drive, Macquarie University Hospital, North Ryde, Sydney on May 15, 2013 at 11am (AEST).

Cyclopharm was untraded at 12 cents.