



Biotech Daily

Monday April 29, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: IMPEDIMED UP 24%, PHYLOGICA DOWN 17%**
- * **BIOTECHS WIN \$889k OF \$10m COMMERCIALISATION GRANTS**
- * **GENETIC TECHNOLOGIES LICENCE TO PREVENTION GENETICS**
- * **SUDA REQUESTS PHASE III RESULTS TRADING HALT**
- * **PHARMAUST REQUESTS ACQUISITION TRADING HALT**
- * **GOODBYE SUNSHINE HEART**
- * **BIONICHE RECEIVES SHAREHOLDER EGM REQUEST**
- * **VIRALYTICS CHAIRMAN PAUL HOPPER RESUMES NON-EXECUTIVE ROLE**

MARKET REPORT

The Australian stock market was up 0.56 percent on Monday April 29, 2013 with the S&P ASX 200 up 28.3 points to 5,125.8 points.

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

Impedimed was the best, up 1.2 cents or 24 percent to 6.2 cents with 328,400 shares traded, followed by Antisense up 10 percent to 1.1 cents with 4.6 million shares traded.

Anteo and Living Cell climbed six percent or more; Cellmid, Neuren and Pharmaxis were up more than three percent; Bionomics, Ellex, Nanosonics and Resmed rose more than two percent; Cochlear, CSL and Osprey were up more than one percent; with QRX and Sirtex up by less than one percent.

Phylogica led the falls, down 0.3 cents or 16.7 percent to 1.5 cents with 636,800 shares traded, followed by Avita down 13.6 percent to 9.5 cents, with 306,173 shares traded.

Compumedics lost 9.1 percent; Phosphagenics fell 8.3 percent; Alchemia, Benitec and Patrys were down more than seven percent; Medical Developments was down 3.75 percent; Acrux and Prana shed more than two percent; Atcor, GI Dynamics, Mesoblast, Prima, Starpharma and Viralytics were down more than one percent; with Clinuvel and Reva down by less than one percent.

COMMERCIALISATION AUSTRALIA

Three biotechnology companies have been awarded \$888,738 among the 30 companies awarded \$9,631,864 by Commercialisation Australia.

In a media release, Commercialisation Australia detailed the companies awarded grants including the Mt Waverley, Victoria-based Elevate Technologies' \$37,138 for its Online Health Portfolio to improve the lives of people with chronic lifestyle-related medical conditions, such as type II diabetes, through the application of behavioral science research and mobile diagnostic technologies.

Elevate said the funds would enable it to secure the assistance of the Baker IDI Heart and Diabetes Institute to develop trial protocols.

Commercialisation Australia said that the Warrnambool, Victoria-based Livac Pty Ltd was awarded \$250,000 for its liver retractor device for the surgical instrument market which could reduce operating times, improve and accelerate patient recovery by reducing trauma, lower surgical costs and achieve efficiencies for health service providers.

Livac said that the technology had application to all laparoscopic operations on the gallbladder and stomach, enabling these to be performed more easily with fewer incisions.

Commercialisation Australia said that Sydney's Atomo Diagnostics Pty Ltd was awarded \$601,600 for its Atomorapid integrated rapid diagnostic.

Atomo said that Atomorapid improved usability and reduced errors in point-of-care settings, by removing the need for complex procedural test kits with multiple components and significant operator handling.

Atomo Rapid's website said the company had developed a rapid HIV test.

A separate media release from the Minister for Climate Change, Industry and Innovation, Greg Combet said that Commercialisation Australia had helped more than 400 participants since inception in 2010 (BD: Jan 17, 2010).

Mr Combet said Commercialisation Australia was established by the Labor Government to drive commercial outcomes from our best research and ideas.

"Commercialisation Australia's combination of financial and hands-on support is making a demonstrable difference in turning good ideas into successful businesses and jobs," Mr Combet said.

"This transition is well known in the innovation community as the 'valley of death' and Commercialisation Australia is a welcome bridge for our innovators and entrepreneurs," Mr Combet said.

Mr Combet said that cloud-based content management expert and entrepreneur Tony Surtees had been appointed as a director of Commercialisation Australia.

Mr Combet said Mr Surtees' extensive experience across consumer, media, and business to business firms made him "an outstanding candidate".

"Mr Surtees is well equipped to assess and provide advice on the merit of applications to the Commercialisation Australia program," Mr Combet said.

Mr Combet's media release said that along with the three biotechnology projects other projects to receive funding included technology to ensure more reliable supplies of farmed barramundi and innovative seeding technology for Australia's 14,000 large-scale crop growers.

The media release said that the latest Commercialisation Australia funding meant a total of 402 participants had been provided with \$157.4 million in assistance since January 2010.

Unusually, the Commercialisation Australia media release noted each grant winner's Federal electorate.

GENETIC TECHNOLOGIES

Genetic Technologies says it has executed a settlement and licence agreement with the Marshfield, Wisconsin-based Preventiongenetics.

Genetic Technologies said the commercial terms of the agreement were covered by formal confidentiality provisions and could not be disclosed.

In late 2012, Genetic Technologies said that it had filed a suit against Preventiongenetics in the Western District of Wisconsin under its US assertion program (BD: Dec 21, 2012).

Today, Genetic Technologies said that given the parties had reached a final settlement, legal action against Preventiongenetics would be dismissed.

The company said the settlement was achieved as a result of its continuing patent monetization efforts in the US and other jurisdictions and said that founder and former chief executive officer Dr Mervyn Jacobson was the global licencing and intellectual property vice president.

Genetic Technologies was unchanged at 7.8 cents.

SUDA (FORMERLY EASTLAND MEDICAL SERVICES)

Suda has requested a trading halt "pending the release of an announcement concerning its Artimist phase III trial results".

Suda (then Eastland) completed phase I single dose clinical studies of sublingual Artimist for paediatric malaria in Malaysia in November 2007 and a multi-dose clinical study in South Africa in February 2008 showed positive results.

A phase IIa trial began in Rwanda in 2009 about the same time that Eastland discovered regulatory irregularities with Artimist manufacturer HC Berlin Pharma AG.

Following a series of investor meetings which raised \$2.3 million Artimist inventor and Eastland director and Artimist co-inventor Calvin Ross returned to England but died as a result of deep vein thrombosis (BD: Aug 9, 2010).

Stephen Carter replaced chief executive officer Dermot Patterson and the 150-patient phase III trial formally began in November, 2010. (BD: Sep 11, 2008; Nov 24, 2009; Nov 23, 2010; Apr 29, 2011; Mar 2, Sep 14, 2012; Mar 26, 2013).

Trading will resume on May 1, 2013 or on an earlier announcement.

Suda last traded up 0.3 cents or 9.1 percent to 3.6 cents with 1.5 million shares traded.

PHARMAUST

Pharmaust has requested a trading halt "pending the release of an announcement of details of an acquisition".

Trading will resume on May 1, 2013 or on an earlier announcement.

Pharmaust last traded at 0.9 cents.

SUNSHINE HEART

The ASX says that Sunshine Heart's securities will be suspended from quotation at the close of trading today, April 29, 2013, pending its removal from the official list of the ASX.

Earlier this year, Sunshine Heart said it would delist from the ASX and trade solely on the Nasdaq (BD: Jan 30, 2013). Sunshine Heart's technology was first developed in New Zealand and Australia, the company retains Australian shareholders; and as with Biota, Biotech Daily shall continue to report on the company.

Sunshine Heart closed its last day on the ASX up 0.1 cents or 4.2 percent to 2.5 cents with 2,811,201 shares traded.

BIONICHE LIFE SCIENCES

Bioniche says it has received a requested for a shareholders' meeting, is reviewing the request "and will report to shareholders in due course".

Bioniche provided no details of the request.

Last week, two former Biovail executives said they represented a group of concerned shareholders holding more than five percent of the issued capital of the company and called for "open dialogue" with all shareholders (BD: Apr 24, 2013).

In a publicly disseminated letter to Bioniche, former Biovail chief executive officer William (Bill) Wells and former general counsel and senior vice-president of corporate development Greg Gubitz, strongly criticized of Bioniche's board, management and share price.

The letter said Bioniche had a history of losses, with not one year of positive earnings and the share price had lost more than 96 percent of its value since 1996 and their group had contacted Bioniche in 2012 to offer advice and provide tangible solutions to fix the company.

"We believed then and believe now that there is considerable potential for Bioniche to become a very successful Canadian life sciences company," the letter said.

"Despite multiple contacts with the management and board, our best efforts to help Bioniche were stalled and dismissed," the letter said.

In a subsequent announcement dated April 23 (USEST), Mr Wells and Mr Gubitz said that they had been contacted by "numerous Bioniche shareholders".

"We believe these shareholders hold a significant number of shares in the company and represent a true cross section of the Bioniche shareholder base," the announcement said.

"The reaction of these shareholders to the points raised in our letter has been universally positive, even effusive," the announcement said.

"These shareholders all agree with us that immediate change is required at Bioniche," the announcement said. "The destruction of shareholder value must stop!"

No one was available to comment at Bioniche at the time of publication.

Bioniche fell one cent or 4.35 percent to 22 cents.

VIRALYTICS

Viralytics says that following the appointment of chief executive officer Dr Malcolm McColl, executive chairman Paul Hopper will return to non-executive chairman from May 1, 2013.

Viralytics fell half a cent or 1.7 percent to 28.5 cents.