



Biotech Daily

Thursday June 6, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX DOWN, BIOTECH EVEN: PHYLOGICA UP 10%, BENITEC DOWN 19%**
- * **BENITEC PLACEMENT RAISES \$7m, SHARE PLAN FOR \$3m MORE**
- * **CYCLOPHARM, MACQUARIE IMAGING'S NON-DESTRUCTIVE ANALYSIS**
- * **NEW ZEALAND PATENT FOR PATRYS' PAT-LM1**
- * **MEDICAL AUSTRALIA TO BUY MEDIVET FOR \$10m**
- * **INVION REQUESTS CAPITAL RAISING TRADING HALT**
- * **PALADIN LABS THROWS BIONICHE A UROCIDIN CASH, DEBT LIFELINE**
- * **HUNTER HALL LIGHTENS, AGAIN, TO 21% OF SIRTEX**
- * **BAILLIE GIFFORD REDUCES TO 11.4% OF COCHLEAR**
- * **MCRAE REDUCES TO 6% OF ALLIED HEALTH**
- * **OCTA PHILLIP TAKES 9% OF AVITA**
- * **HADASIT INCREASES, DILUTED TO 6% OF IMMURON**
- * **MEDIGARD LOSES DIRECTOR PETER CLARK, GAINS ROBERT KRAKOWIAK**
- * **BIOXYNE LOSES JOINT COMPANY SECRETARY LAURA RAYMER**

MARKET REPORT

The Australian stock market fell 1.12 percent on Thursday June 6, 2013 with the S&P ASX 200 down 54.0 points to 4,781.2 points. Twelve of the Biotech Daily Top 40 stocks were up, 12 fell, 11 traded unchanged and five were untraded. All three Big Caps fell.

Phylogica was the best, up 0.2 cents or 10 percent to 2.2 cents, with 82,808 shares traded. Avita climbed 9.4 percent; Ellex was up 5.3 percent; both Patrys and Phosphagenics were up 3.6 percent, Allied Health, Medical Developments, Prana and Reva rose more than two percent; with Heartware and Neuren up more than one percent.

Benitec led the falls, down 0.3 cents or 18.75 percent to 1.3 cents with 8.4 million shares traded. Impedimed lost 10 percent; Nanosonics was down 5.2 percent; Genetic Technologies fell 4.8 percent; Circadian, Clinuvel and Universal Biosensors were down three percent or more; Bionomics and Resmed shed more than two percent; with Acrux, Alchemia, Cochlear, CSL and Starpharma down more than one percent.

BENITEC BIOPHARMA

Benitec says it has raised \$7 million through a placement at 1.1 cents a share and hopes to raise a further \$3 million through a share plan at the same price.

Benitec chief executive officer Dr Peter French told Biotech Daily that money raised would “fund the phase I/IIa trial of TT-034 for hepatitis C to its completion, results and beyond”.

Benitec said that the placement would consist of two tranches, with 37,454,545 shares worth \$412,000 to be issued under the 15 percent rule and 598,909,091 shares worth (\$6,588,000) to be issued subject to shareholder approval at an extraordinary general meeting to be held on July 17, 2013.

The company said that the share plan to buy shares in parcels up to \$10,000 would be offered at 1.1 cents with a record date of May 31, 2103 with opening and closing dates, yet to be fixed.

Benitec said the funds would also be used for a European phase I/IIa trial of Tribetarna for non-small cell lung cancer, as well as the manufacture of clinical material for a potential second hepatitis C trial, business development and working capital.

The company said that Lodge Partners acted as lead manager to the offer and it intended to consolidate shares on a 25-to-one basis.

Benitec closed down 0.3 cents or 18.75 percent at 1.3 cents with 8.4 million shares traded.

CYCLOPHARM

Cyclopharm says that its 20 percent investee company Macquarie Medical Imaging has pioneered a non-destructive technique for analyzing the composition of artefacts.

Cyclopharm says that using new technology in computerized tomography scanners, Macquarie Medical Imaging Prof John Magnussen and Macquarie University Department of Ancient History’s Dr Jaye McKenzie-Clark pioneered “a completely non-destructive technique for analyzing the composition of ancient artifacts”.

Cyclopharm said that most analytical techniques required “the partial or total destruction of ancient samples, resulting in the continuous destruction of a precious and finite resource of information about culture and civilization from the ancient world” but the new technique produced comparable results non-destructively.

Cyclopharm said that Prof Magnussen and Dr McKenzie-Clark scanned cuneiform tablets, which preserved some of the oldest writing in history, embedded in artefacts up to 3,500 years old.

The company said the cuneiform tablets were wrapped in an envelope of clay and, until now, the only way to inspect the inner tablets was to destroy the outer shell.

“We are examining and analyzing the contents of what is, in effect a 3,500 year old clay tablet encased in a clay envelope without having to break the seal,” Prof Magnussen said.

Cyclopharm chief executive officer James McBrayer said the “decision to locate our cyclotron on site at Macquarie University Hospital and form the MMI joint venture was with the belief that it would open doors to new opportunities”.

“Little did we know that MMI would open doors to the past,” Mr McBrayer said.

“While we are more accustomed to our imaging equipment and services being used to advance human health, this is a fascinating application and example of the collaborative work we are engaged in at the University and together we will explore opportunities to leverage the [intellectual property] we are developing,” Mr McBrayer said.

Mr McBrayer told Biotech Daily that Macquarie Medical Imaging hoped to commercialize the technology.

Cyclopharm was untraded at 17 cents.

PATRYS

Patrys says it has been granted a New Zealand patent for its lead anti-cancer antibody product PAT-LM1.

Patrys said that the New Zealand Patent Office issued a certificate of grant on the patent, entitled 'LM-antibodies, functional fragments, LM-1 target antigen, and methods for making and using same'.

The company said the New Zealand was the second jurisdiction in which the PAT-LM1 patent has been granted.

Patrys chief executive officer Dr Marie Roskrow said that New Zealand was "a major market in the Australasian region and it is very pleasing to add this patent to Patrys' already extensive portfolio, which includes patents in other key jurisdictions".

The company said that the patent claimed the use of the antibody PAT-LM1 that bound to its target Nmt55/NONO for the treatment or prevention of metastasis.

Patrys said that PAT-LM1 was in preclinical development.

Patrys was up 0.1 cents or 3.6 percent to 2.9 cents.

MEDICAL AUSTRALIA

Medical Australia says it expects to acquire animal health company and stem-cell technology provider Medivet Pty Ltd for \$10 million.

Medical Australia said that, subject to shareholder approval, an upfront payment of \$5 million cash would be made to the vendors of Medivet, with a further \$5 million in Medical Australia shares.

Medical Australia said it had engaged New York's Corporate Capital Group Inc as its corporate advisors to undertake a capital-raising to support the transaction.

Medical Australia said that Medivet was founded in 2008 and was "a leader in the animal healthcare market and [had] developed a range of animal healthcare products".

The company said that Medivet had developed "the world-first in-house regenerative animal stem-cell technology ... commercialized for the veterinary and equine markets".

Medical Australia said that Medivet's technology was available in 20 countries including the US, the Middle East, Europe, the UK, Japan and Australia.

The company said that Medivet had a controlling interest in Medivet USA LLC, with 420 veterinarians using the stem-cell therapy and 12,000 procedures already performed globally.

Medical Australia said that Medivet had revenue from multiple sources, including the set-up of stem-cell facilities, cryo-preservation of stem-cells for use in later life, ongoing supply of stem-cell equipment and a range of regenerative medicine products for the animal health market.

The company said the two enterprises were "highly complementary businesses and there will be a number of synergies achieved through the combination of these businesses".

Medical Australia was up 0.3 cents or 30 percent to 1.3 cents with 6.7 million shares traded.

INVION

Invion has requested a trading halt pending "an announcement regarding a proposed capital raising".

Trading will resume on June 11, 2013 or on an earlier announcement.

Invion last traded at 3.8 cents.

BIONICHE LIFE SCIENCES

Bioniche says Paladin Labs will refinance and increase Bioniche's debt, provide new equity and licence its Urocidin phase III bladder cancer product.

Bioniche said that the Montreal-based Paladin was a specialty pharmaceutical company and had acquired its existing debt facility with Capital Royalty Partners and affiliates of about \$C22 million (\$A22.5 million), including accrued interest and prepayment penalties. Bioniche said that Paladin agreed to provide an additional \$C8 million loan to support its ongoing operations, \$C5 million of which would be available on closing of the transaction and \$C3 million which would be available on Bioniche's receipt of equity in the form of licencing revenue or an equity financing.

The company said that the total loan from Paladin would have a reduced interest rate of 13.25 percent and mature on July 1, 2014 with a payment of 105 percent of principal due on the sale of Bioniche's animal health business.

Bioniche said that Capital Royalty would retain its two percent royalty interest on all of Bioniche's product sales revenues.

The company said that subject to Toronto and Australian stock exchange approvals, Bioniche would grant Paladin warrants (options) to acquire 750,000 shares at the 5-day volume weighted average price on the TSX at the date of issue and warrants to acquire an additional 1.25 million shares between 50 Canadian cents and \$C1.00 per share and could be required to issue warrants for an additional 1 million shares under certain conditions, with the warrants expiring on the earlier of two years from repayment or May 31, 2019. Bioniche said that Paladin agreed to invest \$C500,000 in the company should it complete an equity raise by September 30, 2013.

Bioniche said it had committed to invest at least \$C3 million from the new loan and an additional \$C2.5 million from the equity raising to the development and approval of Urocidin in Canada and it would grant Paladin an exclusive licence to market and distribute Urocidin for bladder cancer in Canada, South Africa and Mexico and the companies agreed to a net revenue sharing arrangement.

Paladin interim chief executive officer Mark Beaudet said his company was "pleased to add Urocidin's novel bladder cancer therapy to our existing urology portfolio which includes Trelstar and Testin".

Bioniche said the transactions were expected to close on or around June 14, 2013. Bioniche was untraded at 35 cents.

SIRTEX MEDICAL

Hunter Hall Investment Management has reduced its substantial holding in Sirtex from 12,413,046 shares (22.26%) to 11,609,741 shares (20.82%).

The Sydney-based Hunter Hall said it sold 803,305 shares between May 29 and 31, 2013 for \$8,669,941 or an average price of \$10.79 a share.

Last week Hunter Hall reduced its substantial holding in Sirtex from 13,254,180 shares (23.77%) to 12,413,046 shares (22.26%) (BD: May 29, 2013).

Hunter Hall has been a long term shareholder in Sirtex and in 2009 increased to 16,684,884 shares (29.92%) when the company was trading at \$2.35 a share (BD: Mar 5, 2009).

In November 2011, Hunter Hall reduced to 15,537,884 shares (27.86%) when Sirtex was trading at \$4.10 (BD: Nov 50, 2011) and last year reduced to 14,979,180 shares (26.86%) percent when Sirtex was trading at \$7.35 a share (BD: Aug 7, 2012).

Sirtex was up seven cents or 0.6 percent to \$11.28 with 297,346 shares traded.

COCHLEAR

The Edinburgh-based Baillie Gifford & Co and associates have reduced their substantial holding in Cochlear from 7,240,484 shares (12.69%) to 6,478,080 shares (11.36%).

Baillie Gifford said it primarily sold shares in small parcels between April 17 and June 4, 2013 with several sales worth more than \$1 million on June 4 and the single largest sale 149,900 shares for GBP5,250,399 or GBP35.03 (\$A57.02) a share.

Cochlear fell 71 cents or 1.2 percent to \$56.60 with 682,467 shares traded.

ALLIED HEALTHCARE GROUP

The Western Australia-based McRae Technology has reduced its substantial holding in Allied Health from 77,779,141 shares (7.51%) to 63,104,149 shares (6.1%).

McRae said it sold the 14,674,992 shares for \$614,538 or an average price of 4.2 cents a share, between May 15 and June 3, 2013.

Allied was up 0.1 cents or 2.4 percent to 4.2 cents with 2.1 million shares traded.

AVITA MEDICAL

Octa Phillip Asset Management has become a substantial shareholder in Avita with the acquisition of 25,000,000 shares (8.66%).

The substantial shareholder notice said that Octa Phillip acquired 9,681,836 shares for \$1,161,820 or 12 cents a share in a recent placement.

Avita was up 0.9 cents or 9.4 percent to 10.5 cents

IMMURON

Israel's Hadasit Medical Research has increased its holding in Immuron from 46,966,139 shares to 59,164,094 shares, but has been diluted from 19.99 percent to 5.71 percent.

Hadasit said it acquired the shares in the recent three-for-two rights issue at 0.3 cents a share (BD: Mar 27, May 1, 2013).

Immuron was unchanged at 0.3 cents with 3.7 million shares traded.

MEDIGARD

Medigard says that Dr Peter Clark has resigned as a director and will be replaced by Robert Krakowiak, effective from today.

Medigard said that Mr Krakowiak had more than 20 year's trade experience and more than 28 years working in the healthcare industry and had a reputation "as a champion of the development of affordable safety medical devices".

Medigard was untraded at 3.3 cents.

BIOXYNE

Bioxyne says that Laura Raymer resigned as joint company secretary, effective from May 23, 2013 and Jarrod White continues as company secretary.

Bioxyne was untraded at 0.7 cents.