



# Biotech Daily

Thursday August 15, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **ASX FLAT, BIOTECH DOWN: ALLIED HEALTH UP 10%, PATRYS DOWN 5%**
- \* **SIRTEX REVENUE UP 16% to \$100m, PROFIT UP 7% TO \$18m, DIVIDEND**
- \* **SOUTH KOREA APPROVES PRIMA CVAC OVARIAN CANCER TRIAL**
- \* **BRAIN RESOURCE RAISES \$2m**
- \* **SUDA'S WESTCOAST WINS GOVERNMENT PREFERRED STATUS**
- \* **PHARMAXIS REVENUE UP 41% TO \$11.6m, LOSS UP 13% TO \$43.5m**
- \* **ITL REVENUE DOWN 12% TO \$25m, PROFIT UP 86% to \$2.5m, DIVIDEND**
- \* **ECO QUEST PLEADS SCHULTZ, CYNATA, DIRECTORS TO ASX 40% QUERY**
- \* **DR ROGER ASTON, PROF DAVID MORRIS SUBSTANTIAL IN PHARMAUST**

## MARKET REPORT

The Australian stock market slipped 0.1 percent on Thursday August 15, 2013 with the S&P ASX 200 down 5.0 points to 5,152.4 points.

Eight of the Biotech Daily Top 40 stocks were up, 12 fell, 13 traded unchanged and seven were untraded.

Allied Health was the best, up 0.6 cents or 9.7 percent to 6.8 cents with 19.9 million shares traded.

Ellex climbed 7.7 percent; Clinuvel was up 5.3 percent; Avita and GI Dynamics were up four percent or more; Starpharma rose 2.9 percent; Prana and Viralytics were up more than one percent; with Resmed up 0.4 percent.

Patrys led the falls, down 0.2 cents or 4.8 percent to four cents with 2.75 million shares traded.

CSL, Nanosonics, QRX and Reva were down more than three percent; Bionomics and Mesoblast shed more than two percent; Alchemia, Genetic Technologies, Heartware and Universal Biosensors were down more than one percent; with Acrux, Cochlear and Sirtex down by less than one percent.

### SIRTEX MEDICAL

Sirtex says that revenue for the 12 months to June 30, 2013 was up 15.9 percent to \$100,303,000 with net profit after tax up 6.8 percent to \$18,270,000.

Sirtex said dose sales were up 19 percent to 7,299 doses, with dose sales in the Americas were up 21.4 percent to 4,765 doses delivering revenue up 22 percent to \$57 million; with dose sales in Europe, the Middle East and Africa up nine percent to 1,814 doses and revenue up three percent to \$22.2 million; and Asia Pacific dose sales up 29.5 percent to 720 doses for revenue up 21 percent to \$4.8 million.

The company said it invested \$6.6 million in research and development.

Sirtex said a fully franked 10.0 cents dividend was paid for the previous financial year on October 26, 2012 and a dividend for the year to June 30, 2013 was to be determined.

The company said that net tangible asset backing per share was up 4.2 percent to 107.3 cents and diluted earnings per share was up 6.0 percent to 32.0 cents for the year to June 30, 2013 compared to 30.2 cents for the previous corresponding period.

Sirtex said it had in cash and cash equivalents of \$20,094,000 at June 30, 2013, compared to \$13,447,000 at the end of the previous financial year.

Sirtex fell four cents or 0.3 percent to \$12.96 with 239,316 shares traded.

### PRIMA BIOMED

Prima says the South Korean Ministry of Food and Drug Safety has approved its phase II/III trial of CVAc for ovarian cancer (BD: Feb 28, 2013).

Prima said that several clinical sites in South Korea would be activated and patients would be recruited in the coming weeks.

The company said that the 'Canvas' trial was studying CVAc as a maintenance treatment for newly diagnosed, late-stage epithelial ovarian cancer patients who achieved remission after optimal debulking surgery and standard first line chemotherapy.

Prima said the expansion of the trial to Asia would increase the number of actively recruiting clinical sites, which was ongoing in Australia, the US and Europe.

Prima chief executive officer Matthew Lehman said the South Korean approval would expand the geographical reach of the personalized immuno-cellular therapeutics platform.

Prima was unchanged at 8.9 cents with 4.4 million shares traded.

### BRAIN RESOURCE

Brain Resource says it expects to raise \$2 million in a private placement at 30 cents a share to investment funds managed by Och-Ziff Capital Management Group.

Brain Resource said the funds were for working capital, marketing and platform integrations.

Brain was untraded at 32 cents.

### SUDA

Suda says wholly-owned subsidiary Westcoast Surgical and Medical Supplies has secured 'preferred supplier status' for a major, Federal Government-funded organization. Suda said the Perth-based medical device and consumables sales and logistics company was awarded the status through a tendering process and the status would "have a significant effect on Westcoast's revenue and profitability".

Suda was unchanged at three cents with 1.2 million shares traded.

## PHARMAXIS

Pharmaxis says that revenue for the 12 months to June 30, 2013, was up 41 percent to \$11,607,000, with net loss after tax up 13 percent to \$43,537,000.

Pharmaxis said that despite sales of Aridol globally and increasing sales of Bronchitol for cystic fibrosis in Europe and Australia, Bronchitol had been refused marketing authorization for cystic fibrosis in the US and had failed to meet its phase III trial primary endpoint for bronchiectasis (BD: Mar 19, Apr 24, 2013).

The company said that a review of business had been conducted and programs had been selected for out-licencing or partnering and a raft of cost-cutting measures introduced.

Pharmaxis said that research and development expenses were down 2.1 percent to \$23,862,000 (BD: May 28, 2013).

The company said that net tangible assets per share fell 41.9 percent to 18.0 cents, with diluted loss per share even at 14.1 cents.

Pharmaxis said that it had cash and cash equivalents of \$63,943,000 at June 30, 2013 compared to \$81,475,000 at June 30, 2012.

Pharmaxis was unchanged at 15.5 cents with one million shares traded.

## ITL

ITL says revenue for continuing operations for the 12 months to June 30, 2013 was down 12 percent to \$24,885,000 with net profit after tax up 86 percent to \$2,458,000.

ITL said that a fully-franked interim dividend of 0.5 cents a share had been paid and a fully franked final dividend of 0.75 cents per share would be paid for the record date of August 23, 2013.

ITL said that it incurred a loss of \$1.4 million in relation to the Healthcare SEA business which was sold effective on January 1, 2012 and was reported as a discontinued operation in the results.

The company said that profit before tax from continuing operations at \$2.5 million was below the prior year result of \$3.0 million reflecting lower revenue partly offset by improved gross margins and savings in operating expenses.

ITL said that revenue from its innovative products group decreased eight percent to \$9.5 million "due to industry consolidation and reduced demand from the US blood banking market" while healthcare revenue declined 14 percent to \$15.3 million.

ITL said net tangible assets per share at June 30, 2013 was up 2.0 percent to 10.1 cents and diluted profit per share was up 16.0 percent to 2.54 cents.

The company said it had net debt of \$1.3 million at June 30, 2013, compared to net cash of \$1.0 million at June 30, 2012.

ITL was up three cents or 10.5 percent to 31.5 cents.

## ECO QUEST

Eco Quest has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

Eco Quest said that it recently announced that it would acquire Cynata for its pre-clinical stage stem cell technology and had appointed as directors Dr Stewart Washer and Dr Ross Macdonald (BD: Jul 12, Aug 1, 2013).

The ASX said the company's share price climbed from 1.5 cents on August 13, to 2.1 cents, a 40 percent increase, on August 14, 2013, and noted an increase in trading volumes.

Eco Quest fell 0.1 cents or 4.8 percent to two cents with 4.4 million shares traded.

## PHARMAUST

Executive chairman Dr Roger Aston has become a substantial shareholder in Pharmaust with the acquisition of 104,282,951 shares or 7.78 percent of the company.

Dr Aston said the shares were acquired at no cost in the acquisition of Pitney Pharmaceuticals and would be held in voluntary escrow for 12 months.

Director Prof David Morris has become a substantial shareholder in Pharmaust with the acquisition of 173,116,590 shares or 12.92 percent of the company.

Prof Morris said the shares were acquired at no cost in the acquisition of Pitney Pharmaceuticals and would be held in voluntary escrow for 12 months.

A third notice in the name of Pharmaust and referring to an attached Voluntary Restriction Deed said the company was substantial in itself on behalf of Dr Aston, Prof Morris and Longbow Croft Capital Pty Ltd, with 329,879,968 shares or 24.63 percent, also under 12 month voluntary escrow.

Longbow Croft director Robert Bishop told Biotech Daily that, along with Prof Morris and Dr Aston, he was a director of Pitney Pharmaceuticals.

The substantial shareholder notice said that the Sydney-based Longbow Croft held 52,484,757 shares or 3.9 percent.

Pharmaust was unchanged at 1.2 cents with 5.8 million shares traded.