



Biotech Daily

Monday August 19, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: ALLIED HEALTH UP 13%, NEUREN DOWN 8%**
- * **BONE: 'LA JOLLA COVE STILL DELAYING PAYMENTS'**
- * **JOHN RICHARDS REPLACES BIOTA'S JEFFEREY ERRINGTON, BONUSES**
- * **ACORN TAKES PROFIT, REDUCES TO 12% OF STARPHARMA**
- * **OCH-ZIFF TAKES 10% OF BRAIN RESOURCE**
- * **CONSEGNA REQUESTS CAPITAL RAISING TRADING HALT**

MARKET REPORT

The Australian stock market slipped 0.03 percent on Monday August 19, 2013 with the S&P ASX 200 down 1.4 points to 5,112.5 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 12 fell, nine traded unchanged and three were untraded. All three Big Caps were up.

Allied Health was the best, up 0.9 cents or 13.0 percent to 7.8 cents with 20.7 million shares traded.

Prana climbed 9.3 percent; Alchemia rose 8.3 percent; Nanosonics was up 7.8 percent; Atcor, GI Dynamics and Starpharma were up more than four percent; Avita, Benitec and Tissue Therapies were up more than three percent; Cochlear, Heartware, Medical Developments and Reva rose more than two percent; CSL and Mesoblast were up more than one percent; with Resmed, Sirtex and Universal Biosensors up less than one percent.

Neuren led the falls, down one cent or 8.3 percent to 11 cents with 2.6 million shares traded.

Impedimed and Patrys lost more than seven percent; both Pharmaxis and Viralytics fell 6.25 percent; Phylogica was down five percent; Phosphagenics fell 4.8 percent; Prima and QRX were down more than three percent; Optiscan shed 2.9 percent; Genetic Technologies was down 1.2 percent; with Acrux down 0.6 percent.

BONE MEDICAL

Bone says that La Jolla Cove Investors has continued to “delay” draw-down equity facility payments.

In May, Bone said that La Jolla Cove was “in arrears” having paid \$US20,000 of the agreed \$US100,000 for the month of April (BD: May 29, 2013).

Today, Bone said it had received \$US70,000 since March 2103.

The company said that it had engaged Melbourne-based corporate advisory firm D H Flinders to assist its efforts to raise new capital.

Bone said that La Jolla had “confirmed its intention to continue providing the funding the company needs ... and to offer improved termination terms to support the transition to new investment”.

The company said that it was “in ongoing dialogue with La Jolla to bring its payments up to date and allow it to continue meeting its obligations, and hopes to resolve the situation”.

Bone said it continued to seek “new, alternative sources of funds, including most notably its engagement of D H Flinders as well as partnering for its product programs, but continues to rely on La Jolla for funding to meet its operating obligations in the meantime”.

Bone was unchanged at 0.1 cents with 1,000,000 shares traded.

BIOTA PHARMACEUTICALS

Biota says that director Prof Jeffery Errington resigned on August 12, 2013 from Biota Pharmaceuticals and Biota Holdings and “there was no disagreement between Prof Errington and the company on any matter relating to the company’s operations, policies or practices relative to his resignation”.

The company said that it had appointed Georgia Venture Partners founding partner John Richard to replace Prof Errington on August 13, 2013.

Biota said that Mr Richard was granted options to purchase 30,000 shares.

In May, Biota said that directors Dr Raafat Fahim and Paul Bell had resigned and were replaced by Anne VanLent and Michael Dougherty (BD: Jul 17, 2013).

The company said that chief executive officer Russell Plumb would be paid a bonus of \$US60,000 (\$A65,088) and corporate development strategy executive vice-president Dr Joseph Patti would be paid a bonus of \$US37,500 for achieving corporate milestones.

Biota said the annual general meeting would be held on November 12, 2013.

On the Nasdaq on Friday August 16, 2013, Biota closed down five US cents or 1.2 percent to \$US4.08 (\$A4.43 equivalent to 55.35 cents pre-merger) with 15,549 shares traded.

BRAIN RESOURCE

The New York-based Och-Ziff Holding Corp has become a substantial shareholder in Brain Resource with 10,063,986 shares or 9.89 percent of the company.

The Och-Ziff substantial shareholder notice said it represented associated companies based in New York, Delaware, the Cayman Islands and the British Virgin Islands and had acquired 6,734,185 shares for \$2,018,832 or 30 cents a share.

Last week, Brain said that it expected to raise \$2 million in a private placement at 30 cents a share to investment funds managed by Och-Ziff (BD: Aug 15, 2013).

Brain was untraded at 32 cents.

STARPHARMA

Melbourne's Acorn Capital has reduced its substantial holding in Starpharma from 36,614,463 shares (13.05%) to 33,092,814 shares (11.66%).

Acorn said that between December 14, 2011 and August 14, 2013 it sold 5,948,050 shares for \$5,680,521 or an average price of 95.5 cents a share and bought 2,426,401 shares for \$1,807,435 or an average price of 74.5 cents a share.

Starpharma was up 4.5 cents or 4.3 percent to \$1.10.

CONSEGNA

Consegna has requested a trading halt "pending an announcement in relation to a capital raising".

Trading will resume on August 21, 2013 or on an earlier announcement.

Consegna last traded at 4.2 cents.