



# Biotech Daily

Tuesday August 27, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: PRANA UP 7%, ANTISENSE DOWN 8%**
- \* **AGENIX, ARRAYJET COLLABORATE FOR MICRO-ARRAY DIAGNOSTIQ**
- \* **LIVING CELL: INDEPENDENT AUDIT OF ARGENTINE DIABETES TRIAL**
- \* **ACRUX REVENUE UP 56% TO \$17m, PROFIT DOWN 6% TO \$7m, DIVIDEND**
- \* **MAYNE PHARMA REVENUE UP 60% TO \$84m, PROFIT TO \$3m LOSS**
- \* **ECO QUEST SHARE PLAN RAISES \$458k**
- \* **GENETIC TECHNOLOGIES PLACEMENT RAISES \$3m**
- \* **ALLAN GRAY REDUCES (JUST) BELOW 5% OF ACRUX**
- \* **IDT REQUESTS CAPITAL RAISING TRADING HALT**
- \* **CHRIS SMITH REPLACES UNIVERSAL BIO'S DR ELIZABETH WILSON**
- \* **L'ORÉAL: KATHRYN HOLT, MISTY JENKINS, JOANNE WHITTAKER**

## MARKET REPORT

The Australian stock market closed up 0.11 percent on Tuesday August 27, 2013 with the S&P ASX 200 up 5.8 points to 5,141.2 points. Fifteen of the Biotech Daily Top 40 were up, 13 fell, seven traded unchanged and five were untraded.

Prana was the best for the second day in a row, up 4.5 cents or 7.1 percent to 67.5 cents with three million shares traded.

Ellex and Phylogica climbed more than six percent; Allied Health was up 5.1 percent; Avita and Tissue Therapies rose four percent or more; Impedimed and Psivida were up more than three percent; GI Dynamics, Heartware and Optiscan rose two percent or more; Prima, Resmed and Starpharma were up more than one percent; with Bionomics, CSL and Sirtex up by less than one percent.

Antisense led the falls, down 0.1 cents or 7.7 percent to 1.2 cents with 447,087 shares traded. Living Cell, Osprey and Patrys fell more than five percent; Anteo, Genetic Technologies, Medical Developments and Pharmaxis lost more than three percent; Acrux, Nanosonics and Phosphagenics shed more than two percent; Mesoblast and Universal Biosensors were down more than one percent; with Cochlear down 0.4 percent.

## AGENIX

Agenix says it will collaborate with the Roslin, Scotland-based Arrayjet to combine its Diagnostiq technology with Arrayjet's micro-array technology.

Agenix executive chairman Nick Weston told Biotech Daily that the agreement covered the use of the Diagnostiq platform technology licenced from Tyrian Diagnostics for human health with Arrayjet's planar micro-array technology.

Mr Weston said that the Diagnostiq platform could do two tests at a time whereas the planar micro-array could do "up to 350 different tests, but we are probably looking at 50 tests on our device".

Mr Weston said the co-development agreement would see both companies supplying their respective technologies with Agenix enhancing the reader device and Arrayjet enhancing the cassette testing device.

In a media release, Agenix said the research and development would be done in Scotland and Australia to jointly develop a point-of-care test "to combine the speed, portability and ease of use of Agenix's patented flow through Diagnostiq ... platform with the sensitivity, accuracy and multiplexing ability of planar microarray technology".

Agenix said that Arrayjet's patented, non-contact, inkjet printing technology was used to manufacture precision, high quality, reproducible microarrays.

The company said that the costs of development would be met "in part by research grants and access to [research and development] tax incentives".

Mr Weston said that partnering with Arrayjet was "an important step in the development of our Diagnostiq licenced technology for human health applications".

"There is a high unmet medical need for a platform able to do multiplexed affinity-based assays in low-resource or mobile settings," Mr Weston said.

Arrayjet chief executive officer Dr Iain McWilliam said that "considering the rapid growth in the field of diagnostic biomarker panels, there are remarkably few multiplex tests on the market and even fewer content-ready, open platforms available to developers".

"We see the vertical flow, disposable cartridge at the heart of the Diagnostiq platform as the ideal vehicle for a multiplex diagnostic array," Dr McWilliam said.

"Our eventual aim will be to offer customers an end-to-end process, whereby they can rapidly translate a novel biomarker profile into a diagnostic tool presented on a reformatted version of Diagnostiq to afford the end-user a simple-to-use, cost effective solution," Dr McWilliam said.

Agenix fell 0.1 cents or 4.35 percent to 2.2 cents.

## LIVING CELL TECHNOLOGIES

Living Cell says that following "a preliminary internal review" it was consulting with a third party auditor, regarding its Argentinean phase IIb trial.

Living Cell said the study was entitled 'An Open-label Investigation of the Safety and Efficacy of Diabecell [Immunoprotected (Alginate-Encapsulated) Porcine Islets for Xenotransplantation] in Patients with Type 1 Diabetes Mellitus'.

Last year, Living Cell said that an interim analysis of its Argentinean phase I/IIa trial of Diabecell for unstable type 1 diabetes showed significant efficacy and that a 20-patient phase IIb trial had begun (BD: Nov 22, 2013).

The company said at that time that the 20 patients would receive two implants of 10,000 islet equivalents per kilogram, with the second implant occurring 12 weeks after the first.

Living Cell said the principal investigator of the phase IIb trial was Dr Adrián Abalovich of Hospital Eva Perón in San Martín, Buenos Aires.

Living Cell fell 0.3 cents or 5.8 percent to 4.9 cents.

### ACRUX

Acrux says revenue for the 12 months to June 30, 2013 was up 56 percent to \$16,660,000 with net profit after tax down six percent to \$6,926,000.

Acrux said that total revenue of \$16.7 million was composed of product agreements, primarily a doubling of sales of Axiron by Eli Lilly to \$14.4 million, along with \$1.1 million following the manufacturing and marketing agreement with Gedeon Richter to commercialize the estradiol spray in markets outside the US and \$900,000 interest.

Acrux said that the profit was reduced by depreciation and amortization expenses increasing to \$1.4 million from \$300,000, "as a result of the International Financial Reporting Committee's clarification of the allowable methods of amortizing capitalized research and development expenditure" relating to Axiron.

Acrux said that cash at June 30, 2013 was down 23.9 percent to \$22,840,000 compared to the previous year's \$30,017,000, diluted earnings per share fell 6.3 percent to 4.16 cents compared to the previous year's 4.44 cents and net tangible asset backing per share was down 17.6 percent from 17 cents to 14 cents.

Acrux said an unfranked eight cent dividend per share for the record date of September 9, 2013 was expected to be paid on September 23, 2013 and as a pooled development fund, the dividend was tax exempt.

Acrux fell seven cents or 2.1 percent to \$3.26 with 397,631 shares traded.

### MAYNE PHARMA GROUP

Mayne says revenue for the year to June 30, 2013 was up 60.0 percent to \$84,071,530, but the previous year's \$6,153,000 profit has turned to a loss after tax of \$2,843,000.

Mayne said that administration expenses doubled from \$6,985,000 for the year to June 30, 2012 to \$14,373,000 for the 12 months to June 30, 2013, with research and development expenses down 0.8 percent to \$3,985,000 but all other costs up.

Mayne said that the results included the revenue and expenses for Metrics for the period November 14, 2012 to June 30, 2013 following Mayne's acquisition of Metrics, formerly a private, US-based provider of contract development services to the pharmaceutical industry, which also developed and manufactured niche generic pharmaceuticals.

The company said it acquired Metrics for an upfront payment of \$US105 million and a further payment of \$US10.5 million based on the performance of the business for the year ending 30 June 2013.

Mayne said it acquired Kapanol and its related assets in Australia from Glaxosmithkline on February 1, 2013 for \$13.8 million.

The company said that net tangible asset backing per share fell 94.25 percent from 17.4 cents to one cent and diluted loss per share was 0.7 cents compared to the previous year's diluted earning per share of 4.02 cents, with cash and cash equivalents at June 30, 2013 was \$18,938,000 compared to the previous year's \$11,596,000.

Mayne fell half a cent or 0.9 percent to 56 cents with 1.6 million shares traded.

### ECO QUEST

Eco Quest says its share plan at one cent a share was oversubscribed raising \$457,500 and has closed early.

Earlier this month, the company said it had raised \$300,000 through a placement at one cent a share and hoped to raise a further \$300,000 through a share plan at the same price, allowing for a further \$200,000 in oversubscriptions (BD: Aug 1, 2013).

Eco Quest was up 0.6 cents or 35.3 percent to 2.3 cents with 7.2 million shares traded.

## GENETIC TECHNOLOGIES

Genetic Technologies says its expected \$2.2 million placement at 7.2 cents a share has raised \$3 million and its \$3 million share plan is underwritten to \$1.8 million.

Genetic Technologies said that the share plan was previously underwritten to \$400,000. Earlier this month, Genetic Technologies said it hoped to raise up to \$16.4 million through a \$2.2 million placement a \$3 million share plan and two US convertible notes at \$US5 million (\$A5.6 million) each (BD: Aug 1, 2013).

The company said that Lodge Corporate was lead manager on the private placement and share plan and Lodge and Cygnet Capital were underwriters for the plan.

Genetic Technologies chief executive officer Alison Mew said the "significant additional commitment from the underwriters provides the company with greater confidence that the [share plan] will be successful and that hopefully a larger proportion of eligible shareholders will take up their entitlements under the plan".

Genetic Technologies fell 0.3 cents or 3.2 percent to 9.2 cents with 1.1 million shares traded.

## ACRUX

Allan Gray Australia (formerly Orbis Investment Management) has reduced its substantial holding in Acrux from 8,596,312 shares (5.15%) to 8,318,315 shares (4.99).

Allan Gray said that between August 1 and August 23, 2013 it sold 250,997 shares for \$840,462 or an average price of \$3.348 a share.

## IDT

IDT has requested a trading halt "pending an announcement ... regarding capital raising activity".

Trading will resume on August 29, 2013 or on an earlier announcement.

IDT last traded at 36 cents.

## UNIVERSAL BIOSENSORS

Universal Biosensors says Chris Smith will replace of Dr Elizabeth (Jane) Wilson as a non-executive director.

Universal Biosensors said that Mr Smith was "a highly experienced US-based executive with 25 years in the medical device industry" and was currently the president of Cochlear Americas.

The company said that Mr Smith had worked in management and leadership roles in a number of medical device and healthcare companies, where he was responsible for creating and implementing strategies to commercialize medical technologies, new product development, extracting manufacturing efficiencies and margin improvement.

Universal Biosensors said that Mr Smith was formerly a director of medical device company Acclarent and drug-eluting stent company Xtent Inc.

Universal Biosensors chairman Andrew Denver said that the company would "benefit from [Mr Smith's] skills and experience with the launch of our new products and he is well placed to assist with Universal Biosensors' next phase of growth, particularly in the United States".

The company said that Mr Smith held a Bachelor of Science from Texas A&M (Agricultural and Mechanical) University.

Universal Biosensors fell one cent or 1.4 percent to 69 cents.

## L'ORÉAL WOMEN IN SCIENCE FELLOWSHIPS

The L'Oréal Women in Science Fellowships have been awarded to the University of Melbourne's Dr Kathryn Holt, the Peter MacCallum Cancer Centre's Dr Misty Jenkins and the University of Tasmania's Dr Joanne Whittaker.

A media release from cosmetics company L'Oréal said that each year three Australian women were awarded \$25,000 Fellowships, for any expenses, including childcare.

L'Oréal said Dr Kathryn Holt won her Fellowship for tracking the spread of diseases using genetics, mathematics and supercomputers to study the whole genome of bacteria and work out how they spread.

L'Oréal said that Dr Holt studied a typhoid epidemic in Kathmandu and found that it did not spread in the way expected for an epidemic.

The media release said that Dr Holt would use her Fellowship to understand how antibiotic-resistant bacteria spread in Melbourne hospitals.

L'Oréal said that Dr Jenkins' Fellowship would assist her study of immune systems and how to better manage T cells to defeat disease.

The media release said that Dr Whittaker was a marine geoscientist studying the formation of continents and her Fellowship would support her work in reconstructing how the Indian, Australian and Antarctic tectonic plates separated over the past 200 million years, forming the Indian Ocean and the continents.

L'Oréal said the Fellowship would help Dr Whittaker model climate change better, find new gas resources, and better understand the dynamics of the land of Australia.