



Biotech Daily

Friday August 30, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ATCOR UP 17%, PHOSPHAGENICS DOWN 12%**
- * **BIOTRON TARGETS HIV, HEP C CO-INFECTION**
- * **NEW YORK CLEARS GENETIC TECHNOLOGIES BREVAGEN FOR US**
- * **BIODIEM TO DELIST IN NOVEMBER**
- * **SOUTH KOREA APPROVES NANOSONICS TROPHON**
- * **VIRALYTICS PLEADS SCHULTZ TO ASX 19% QUERY**
- * **ATCOR REVENUE UP 41% TO \$9m, \$2.7m MAIDEN PROFIT**
- * **ELLEX REVENUE DOWN 10% TO \$43m, PROFIT TURNS TO \$816k LOSS**
- * **ALCHEMIA REVENUE UP 3247% to \$24m, LOSS DOWN 68% TO \$5m**
- * **COMPUMEDICS REVENUE DOWN 3% TO \$27m, LOSS DOWN 46% TO \$1.5m**
- * **ALLIED HEALTH REVENUE UP 15% to \$7m, LOSS DOWN 81% TO \$2m**
- * **AVITA REVENUE DOWN 22% TO \$4m, LOSS UP 5% TO \$8m**
- * **MASS MUTUAL REDUCES TO 7% IN NOVOGEN**
- * **GENETIC TECHNOLOGIES REVENUE UP 31% to \$8m, LOSS up 76% TO \$9m**
- * **RESONANCE REVENUE DOWN 4% TO \$1.7m, LOSS DOWN 36% TO \$173k**
- * **UNILIFE PLEADS SCHULTZ TO ASX 30% QUERY**

MARKET REPORT

The Australian stock market was up 0.84 percent on Friday August 30, 2013 with the S&P ASX 200 up 42.6 points to 5,135.0 points. Twenty-one of the Biotech Daily Top 40 were up, 14 fell and five traded unchanged. All three Big Caps were up.

Atcor was best, up two cents or 17.4 percent to 13.5 cents with 2.6 million shares traded. Impedimed climbed 16.1 percent; Optiscan was up 14.3 percent; Prana rose 12.5 percent; Uscom was up 11.1 percent; Allied Health and Antisense were up more than seven percent; with Benitec and Tissue Therapies up more than five percent.

Phosphagenics led the falls, down 1.2 cents or 12.4 percent to 8.5 cents with 2.8 million shares traded. Viralytics lost 9.5 percent; Compumedics and Phylogica fell more than six percent; GI Dynamics fell 4.1 percent; Cellmid, Living Cell and QRX were down three percent or more.

BIOTRON

Biotron chief executive officer Dr Michelle Miller says BIT225 is the only known drug in development for co-infection of HIV and hepatitis C.

In Melbourne for investor briefings with former Bell Potter analyst and now Biotron consultant Stuart Roberts, Dr Miller said that the BIT225 had significant advantages over other drugs in development for hepatitis C and HIV, primarily that by targeting the P7 receptor BIT225 was hoped to destroy reservoirs of virus held in macrophage cells through the body, including the brain.

Dr Miller said there was evidence from lumbar puncture tests that BIT225 passed through the blood-brain barrier and was able to kill virus cells in reservoirs in the brain.

Dr Miller said she expected BIT225 to be a combination therapy with other drugs and the company expected to begin a 60-patient phase IIb trial of BIT225 for hepatitis C genotypes 1 and 3, in Thailand to produce three month safety results by late October 2013.

Dr Miller said she hoped to complete recruitment by July 2014 with preliminary interim results by October 2014.

Dr Miller said the aims of the trial included safety at three months so that BIT225 could be "slotted in with existing hepatitis C drugs in development and efficacy in genotype 3, which is where some existing drugs are having problems".

Dr Miller said that Biotron would file an investigational new drug application for BIT225 with the US Food and Drug Administration early next year.

Dr Miller said that HIV was still not being eradicated by existing drugs, although for many people the disease was generally under control, including emerging problems of HIV related dementia.

"The other drugs don't eradicate the virus," Dr Miller said. "We know that BIT225 does."

Dr Miller said that there was concern with drug-to-drug interactions but BIT225 was designed to be used with retrovirals and other drugs and drug-to-drug interactions were "not an issue with BIT225".

Dr Miller said that the open-label, 12-patient, Thailand combination HIV and hepatitis C trial was full recruited.

Dr Miller said patients would receive BIT-225 for 28 days and interferon and ribavirin for 48 weeks.

"To the best of my knowledge, no-one else is doing co-infection studies," Dr Miller said.

"In HIV treatment, cure and eradication is the priority now and we're ahead of everybody," Dr Miller said.

"We have multiple shots at success and have at least one back-up next generation more potent inhibitor of P7," Dr Miller said.

Dr Miller said the company was also investigating several compounds for Dengue fever. Biotron fell half a cent or 4.8 percent to 10 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says that with its New York permit it can market its Brevagen breast cancer test through out the US.

Genetic Technologies said it had received its Clinical Laboratory Permit from the New York State Department of Health.

Genetic Technologies chief executive officer Alison Mew told Biotech Daily that the State of New York had higher standards than other jurisdictions and it was the final authorization required for the US.

Genetic Technologies was up 0.3 cents or 3.5 percent to 8.8 cents.

BIODIEM

Biodiem says it expects to delist from the ASX on November 9, 2013, pending shareholder approval.

Biodiem said it would put a resolution to shareholders at its annual general meeting to delist from quotation on the ASX.

The company said that reasons for delisting included “the effect that the perceived low market capitalization ... has on commercial opportunities including out-licencing transactions”.

Biodiem said there was a “disparity of sensitivity to positive announcements by the company with the effect on the market price of the Company’s securities” along with general economic conditions and the effect they had on the company’s ability to raise capital and the costs associated with remaining listed on ASX, with the company and its shareholders receiving only limited benefits from the listing.

Biodiem originally listed on the ASX to develop a live attenuated influenza vaccine and BDM-E peptide for retinal eye disease and the antimicrobial BDM-I (BD: Jun 20, 2006).

Biodiem chief executive officer Tom Williams was succeeded by Dr Andrew O’Brien and Dr O’Brien was succeeded by Julie Phillips, who built a pipeline of products in development and collaboration with a number of institutes (BD: Feb 5, Jul 14, 2009).

The company has been tightly held with little liquidity.

Last year, the Bank of East Asia acting for David Li Kwok Po increased its substantial shareholding in Biodiem to 39,342,686 shares or 27.69 percent (BD: Dec 18, 2102).

The company’s Appendix 4E Report said that chairman Hugh Morgan held 14,189,593 shares at June 30, 2013.

Biodiem fell 3.5 cents or 53.85 percent to three cents with 1.1 million shares traded.

NANOSONICS

Nanosonics says the Korean Food and Drug Administration has approved its Trophon EPR ultrasound probe cleaning system for use in South Korea.

Nanosonics chief executive officer Dr Ron Weinberger said the company was “delighted to receive regulatory approval in South Korea, well ahead of schedule”.

“South Korea is a strong and growing market for medical devices,” Dr Weinberger said.

“The speed of approval is a testament to the quality of our regulatory and product development teams,” Dr Weinberger said.

“Expanding into new geographic markets will drive the next phase of market adoption of the Trophon EPR as we continue the goal to see our technology accepted as the global standard of care,” Dr Weinberger said.

“We are presently in discussions with potential partners for distribution,” Dr Weinberger said. “These discussions are progressing well and there is strong interest from a number of internationally recognized companies,” Dr Wenberger said.

Nanosonics said it had also filed for regulatory approval in Mexico and Japan.

Nanosonics was up one cent or 1.1 percent to 89.5 cents.

VIRALYTICS

Viralytics 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.

The ASX said the company’s share price rose 19.35 percent from 31 cents on August 26 to 37 cents on August 29, 2013, but did not note an increase in trading volume.

Viralytics fell 3.5 cents or 9.5 percent to 33.5 cents.

ATCOR MEDICAL

Atcor has declared a maiden net profit after tax for the 12 months to June 30, 2013 of \$2,734,023 on revenue up 41 percent to \$9,056,882.

Atcor chief financial officer Peter Manly told Biotech Daily that the company previously had declared a maiden half year profit for the six months to December 31, 2008.

Atcor said that record global pharmaceutical company sales of its Sphygmocor non-invasive central blood pressure monitoring system were up 69 percent to \$US6.1 million and US non-pharmaceutical sales increased 21 percent to a record \$US1.7 million.

The company said that US growth was "driven by strong sales to researchers including a US Government funded study and growth in clinical practice sales to medical specialists such as cardiologists, nephrologists and hypertension specialists".

Atcor said that clinical practice sales were especially strong in the six months to June 30, 2013 with the commencement of the new current procedural terminology (CPT) III code and launch of the Sphygmocor XCel.

The company said that sales in Australia and New Zealand were up 77 percent, increasing following the launch of the Sphygmocor XCel in May 2012.

Atcor said that Asian sales declined, with registration of the XCel device pending in several countries including China.

The company said that European sales declined, reflecting difficult economic conditions, but following resizing of its business to match demand, returned to positive earnings.

The company said that net tangible assets per shares was up 146.2 percent from 1.3 cents to 3.2 cents and diluted earnings per share was 1.8 cents compared to the previous year's loss of 1.5 cents a share.

Atcor said it had \$2,874,209 in cash and cash equivalents at June 30, 2013, compared to \$1,117,306 at June 30, 2012.

Atcor was up two cents or 17.4 percent to 13.5 cents with 2.6 million shares traded.

ELLEX MEDICAL LASER

Ellex says revenue for the 12 months to June 30, 2013 fell 9.9 percent to \$42,805,000 taking last year's \$920,000 net profit after tax to a \$816,000 net loss after tax.

Ellex said that net tangible asset backing per share fell 12.6 percent to 17.3 cents.

The company said that diluted loss per share was 1.0 cents compared to the previous year's earnings of 1.2 cents.

Ellex said it had \$786,000 in cash and equivalents at June 30, 2013 compared to \$1,849,000 for the previous corresponding period.

Ellex fell half a cent or 1.6 percent to 30 cents.

ALCHEMIA

Alchemia says that revenue for the year to June 30, 2013, was up 3246.7 percent to \$24,297,000 reducing net loss after tax 68.4 percent to \$4,770,000.

Alchemia said it had received \$9.5 million from Dr Reddy's Laboratories as its profit share from sales of its generic fondaparinux.

Alchemia said that diluted loss per share fell 74.2 percent from 6.2 cents in the previous year to 1.6 cents for the year to June 30, 2013 and net tangible assets per share was up 86.2 percent to 5.4 cents at June 30, 2013.

The company said it had cash and cash equivalents of \$5,064,000 at June 30, 2013, compared to \$12,346,000 at June 30, 2012.

Alchemia fell half a cent or 1.2 percent to 41.5 cents.

COMPUMEDICS

Compumedics says its net loss after tax for the 12 months to June 30, 2013 was reduced 46.4 percent to \$1.5 million on revenue down three percent to \$27.2 million.

Compumedics said that revenues shipped and invoiced remained stable at \$27.2 million compared to \$27.9 million for the previous year with growth in all regions.

The company said that Australia, US and Japan shipments were "adversely effected by the restricted working capital" but would return to growth by December 31, 2013 and the company had record \$7.3 million sales orders on-hand, which would be shipped by the end of 2013 using the additional funding, received in June.

Compumedics said that net tangible asset per share fell 25.6 percent from 3.9 cents at June 30, 2012 to 2.9 cents at June 30, 2013.

The company said diluted loss per share was unchanged at 0.01 cents.

Compumedics said it had cash and equivalents of \$1,292,000 at June 30, 2013 compared to \$1,099,000 at June 30, 2012.

Compumedics fell 0.6 cents or 6.8 percent to 8.2 cents.

ALLIED HEALTH

Allied Health says that revenue for the year to June 30, 2013, was up 14.8 percent to \$7,415,000 reducing net loss after tax 81.07 percent to \$1,892,000.

Allied said that the revenue came from sales of its infusion and drug delivery systems to hospitals.

Allied said that basic loss per share fell 86.2 percent from 1.507 cents in the previous year to 0.208 cents for the year to June 30, 2013.

The company said it had cash and cash equivalents of \$2,445,423 at June 30, 2013, compared to \$2,064,052 at June 30, 2012.

Allied said that net tangible assets per share fell 51.0 percent to 0.50 cents at June 30, 2013.

Allied was up 0.7 cents or 7.95 percent to 9.5 cents with 21.2 million shares traded.

AVITA MEDICAL

Avita says its net loss after tax for the 12 months to June 30, 2013 was up five percent to \$8,092,939 on revenue down 22.1 percent to \$4,052,275.

Avita said that sales of goods fell 16 percent to \$2,814,990 with other revenue down 32 percent to \$1,237,285.

Avita said that net tangible asset backing per share fell 11.1 percent to 3.2 cents at June 30, 2013 compared to 3.6 cents in the previous period, with diluted loss per share 2.69 cents at June 30, 2013 compared with 3.22 cents in the previous corresponding period.

Avita said it had cash and equivalents of \$10,616,849 at June 30, 2013 compared to \$8,230,593 at June 30, 2012.

Avita was unchanged at 12.5 cents.

NOVOGEN

Oppenheimer Funds entity Massachusetts Mutual says it has reduced its substantial holding in Novogen from 10,441,692 shares (7.921%) to 9,867,292 shares (6.908%).

The substantial shareholder notice was filed by the Sydney office of law firm, DLA Piper, for the Massachusetts-based MM Asset Management

Novogen was unchanged at 16.5 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says that revenue for the year to June 30, 2013, was up 31.3 percent to \$8,162,096 with net loss after tax up 75.9 percent to \$9,298,367.

Genetic Technologies said that revenue came from licencing activities associated with its non-coding DNA patents as well as Brevagen breast cancer test revenue.

The company said that net tangible assets per share fell 66.3 percent to 0.94 cents, with diluted loss per share up 73.0 percent to 1.97 cents.

Genetic Technologies said that it had cash and cash equivalents of \$1,721,293 at June 30, 2013 compared to \$8,900,235 at June 30, 2012.

RESONANCE HEALTH

Resonance says its net loss after tax for the 12 months to June 30, 2013 was reduced 36 percent to \$172,666 on revenue down four percent to \$1,709,229.

Resonance said that net tangible asset per share fell 37.1 percent from 0.35 cents at June 30, 2012 to 0.22 cents at June 30, 2013.

The company said diluted loss per share was unchanged at 0.1 cents.

Resonance said it had cash and equivalents of \$1,092,943 at June 30, 2013 compared to \$1,180,174 at June 30, 2012.

Resonance was up 0.1 cents or 9.1 percent to 1.2 cents.

UNILIFE

Unilife 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.

The ASX said the company's share price rose 29.7 percent from 50.5 cents on August 15 to 65.5 cents on August 29, 2013, and noted an increase in trading volume.

Unilife fell seven cents or 10 percent to 63 cents with 1.8 million shares traded.