



Biotech Daily

Friday September 20, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: LIVING CELL UP 63%; PRANA DOWN 7%**
- * **LIVING CELL IMPLANTS FIRST-IN-HUMAN PIG NTCELL FOR PARKINSON'S**
- * **SUNSHINE HEART TO RAISE \$42m**
- * **SUDA APPOINTS EX-PHYLOGICA NICK WOOLF CHIEF BUSINESS OFFICER**
- * **IMPEDIMED BOARD LOSES GREG BROWN; MORTEN VIGELAND CFO**
- * **CELLMID TO SUPPLY HAIR LOTION TO JAPAN'S NATURAL GARDEN**
- * **SCHRODER, ASSOCIATES TAKE 5% OF COCHLEAR**
- * **JASON PETERSON. CELTIC TAKE 5% OF IMUGENE**
- * **ECO QUEST REQUESTS CYNATA ACQUISITION TRADING HALT**

MARKET REPORT

The Australian stock market fell 0.36 percent on Friday September 20, 2013 with the S&P ASX 200 down 18.8 points to 5,276.7 points.

Fourteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and five were untraded. All three Big Caps fell.

Living Cell was the best, up 3.6 cents or 63.2 percent to 9.3 cents with 4,757,132 shares traded (see below).

Starpharma climbed 8.1 percent; Cellmid was up 7.1 percent; Alchemia and Allied Health rose more than six percent; Impedimed and Prima were up five percent or more; Anteo and Neuren were up more than three percent; IDT and Psivida rose more than two percent; Acrux and Genetic Technologies were up more than one percent; with Mesoblast up 0.35 percent.

Prana led the falls, down three cents or 7.1 percent to 39 cents with 841,169 shares traded.

Reva lost 6.9 percent; Benitec and Optiscan fell five percent or more; Atcor, Clinuvel, Pharmaxis and QRX were down more than three percent; Osprey, Patrys and Viralytics shed more than two percent; Cochlear, GI Dynamics and Universal Biosensors fell more than one percent; with Bionomics, CSL, Resmed and Sirtex down less than one percent.

LIVING CELL TECHNOLOGIES

Living Cell says it has successfully implanted the first patient in its phase I trial of the NTCell for Parkinson's disease.

Earlier this week Living Cell said a study of its NTCell in a rhesus monkey model of Parkinson's disease showed significantly improved neurological functions over six months compared to controls, demonstrating significant recovery from movement abnormalities; improvements in neurological defects; and an increase in neural connections and number of dopamine-producing neurons in the affected area of the brain (BD: Sep 16, 2013).

The company said at that time that NTCell was well tolerated with no evidence of inflammation or other adverse reaction and the improvements were seen within two weeks and lasted to the trial endpoint of six months.

Today, Living Cell said that the first-in-man "pioneering brain surgery was conducted at Auckland City Hospital and the patient has recovered well so far".

The company said that a magnetic resonance imaging scan taken the day after the surgery indicated that the NTCell capsules were implanted at their intended target.

Living Cell said that the phase I clinical trial was an open label investigation of the safety and clinical effect of NTCell in four people who have been diagnosed with Parkinson's disease for at least four years.

The company said that the first patient would be monitored for two months to confirm no serious adverse safety events and then the independent data safety monitoring board would consider the safety data and advise if the implants for the remaining three patients could proceed.

Living Cell said that the principal investigator was the leader of the Auckland Movement Disorders Clinic at the Auckland District Health Board Dr Barry Snow.

"The team [is] pleased with how well the patient tolerated the procedure itself," Dr Snow said.

"The surgery is relatively straightforward in neurosurgery terms and we have taken full advantage of well-established techniques, which lowers the clinical risk," Dr Snow said.

Living Cell chief executive officer Dr Andrea Grant said the surgery was "a significant milestone and a world first".

"The purpose of this first-in-man study is to demonstrate the treatment is safe," Dr Grant said. "Provided this trial is successful, future trials will further assess the extent of clinical benefit that patients might gain."

Living Cell said that NTCell was injected under guidance by neuro-imaging into the affected area of the brain where substantial death of neurons and other cells had occurred.

The company said that the cell therapy was comprised of choroid plexus cells, which were naturally occurring support cells for the brain, harvested from the company's pig herd and encapsulated in a seaweed-derived gel (BD: Jan 20, 2010).

Living Cell said that its Immupel encapsulation protected the implanted cells from attack by the patient's immune system.

"Unlike current therapy options for Parkinson's disease, NTCell may be neuro-protective and offers people living with the disease the hope of being able to halt disease progression and restore quality of life," Dr Grant said.

Living Cell said it was co-developing NTCell as a treatment for Parkinson's disease with Japan's Otsuka Pharmaceutical Factory, which had paid Living Cell \$3 million and was paying the phase I trial research and development costs, estimated at \$2.1 million.

Living Cell said it would receive a further \$2 million if the remaining three implants were authorized this year.

Living Cell climbed 3.6 cents or 63.2 percent to 9.3 cents with 4,757,132 shares traded.

SUNSHINE HEART

Sunshine Heart says it hopes to raise \$US40,005,000 (\$A42,326,494) through the issue of 3,810,000 shares at \$US10.50 a share.

Yesterday Sunshine Heart announced the capital raising but did not specify how much it intended to raise (BD: Sep 19, 2013).

Sunshine Heart said it intended to use the proceeds for general corporate purposes, including its US pivotal trial and post-market European study, initial commercialization of the C-Pulse heart assist system in the European Union and product development.

Last night on the Nasdaq, Sunshine Heart fell 65 US cents or 5.7 percent to \$US10.70 (\$A11.32, equivalent to 5.66 cents before it left the ASX) with 2.9 million shares traded.

SUDA

Suda says that former Phylogica chief financial officer Nick Woolf has been appointed to its leadership team as chief business officer.

Suda has completed a phase III trial demonstrating its sublingual Artimist was superior to intravenous quinine for paediatric malaria and acquired Novadel Pharma and its Novamist technology for buccal delivery of generic drugs (BD: Apr 8, Jul 30, Aug 14, 2013).

The company said that Mr Woolf would oversee business development activities, lead investor relations and assist in capital markets interactions.

Suda said that Mr Woolf had two decades of industry experience including negotiating alliances, licencing agreements and merger and acquisition transactions.

The company said that prior to Phylogica, Mr Woolf was Oxford Biomedica's chief business officer and began his career as a healthcare investment banker and was formerly head of European biotech equity research at ABN Amro.

Suda said that Mr Woolf held a Masters of Arts in chemistry from Oxford University and was a qualified accountant.

Suda chief executive officer Stephen Carter said that generating non-dilutive cash was a key corporate goal for Suda he would "look forward to working with Nick to identify and secure new partnerships and collaborations for our clinical and preclinical portfolio".

Suda was unchanged at 2.8 cents with 1.1 million shares traded.

IMPEDIMED

Impedimed says that founding chief executive officer Greg Brown will resign as an executive director effective from September 30, 2013.

Last year, Richard Carreon replaced Mr Brown as chief executive officer, with Mr Brown appointed as an executive director (BD: Jun 12, 2012).

Today, Impedimed said there would be no change to Mr Brown's role as an executive reporting to Mr Carreon and Mr Brown's decision was "largely due to his expanding role serving on additional boards".

The company said that Morten Vigeland had been promoted to chief financial officer, having joined the company in April 2011 as finance vice-president.

Impedimed said the Mr Vigeland had more than 15 years of experience in financial management in medical technologies and was previously chief executive officer of Access Scientific and corporate controller for Venetec International.

The company said Mr Vigeland held a Bachelor of Science, Business Administration, Finance from the University of Colorado and a Master's of Business Administration from California State University.

Impedimed was up one cent or 5.6 percent to 19 cents.

CELLMID

Cellmid says it has signed an agreement with Japan's Natural Garden Co for the supply of 30,000 units of the Company's FGF-5 inhibitor hair growth lotions.

Cellmid said that Natural Garden Co was one of the largest Japanese private direct marketing companies and Cellmid would supply a minimum of 30,000 units of Advangen's Andeprong S, one of the newly acquired Japanese brands, in the 12 months from November 2013.

In May, Cellmid acquired Advangen, the Japanese owner of the FGF-5 hair growth technology platform including Andeprong S with other brands (BD: May 8, 28, 2013).

The company said the acquisition gave access to sales from the Japanese brands and the Natural Garden agreement was "a significant milestone in and validation of [its] strategy".

The company said Japan's hair care market had total revenues of \$5.9 billion in 2012.

Cellmid was up 0.2 cents or 7.1 percent to three cents with 13.4 million shares traded.

COCHLEAR

Schroder Investment Management has become a substantial shareholder in Cochlear with 3,039,486 shares or 5.33 percent of the company, for a range of unnamed shareholders.

The Pitt Street, Sydney and Gresham Street, London-based Shroder said the registered shareholders included BNP Paribas, Citicorp Nominees, HSBC Custody Nominees, JP Morgan Custodial Services, National Nominees, State Street Australia, Brown Brothers Harriman, Sommerzank, JP Morgan Chase Bournemouth and NT London.

Shroder said that between May 20 and September 19, 2013 it acquired 882,125 shares for \$53,580,320 or an average price of \$60.74 a share.

Cochlear fell \$1.19 or 1.96 percent to \$59.39 with 524,701 shares traded.

IMUGENE

The Perth Western Australia-based Jason Peterson says he has become a substantial shareholder in Imugene with the acquisition of 21,484,500 shares or 5.68 percent.

Yesterday, Consegna said it had sold 75,000,000 of its 100,000,000 shares in Imugene (BD: Sep 18, 19, 2013).

Today, Mr Peterson said he bought 11,500,000 shares in the name of the Jason and Lisa Peterson Superannuation Fund and 9,984,500 shares through Celtic Capital for \$164,977 or 7.7 cents a share.

Imugene was unchanged at 0.8 cents with 5.9 million shares traded.

ECO QUEST

Eco Quest has requested a trading halt "pending the release of an announcement regarding the Cynata transaction".

Eco Quest already owns 33 percent of Cynata and has said it intends to acquire 100 percent of the stem cell company (BD: Jul 12, 2013).

Trading will resume on September 24, 2013 or on an earlier announcement.

Eco Quest last traded down 0.1 cents or 3.45 percent to 2.8 cents with 1.5 million shares traded.