



Biotech Daily

Wednesday September 25, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: ALLIED HEALTH UP 20%; PHYLOGICA DOWN 6%**
- * **'NO CALCIFICATION' IN ALLIED 5-YEAR CARDIOCEL FOLLOW-UP**
- * **VICTORIA'S TECHNOLOGY VOUCHER PROGRAM OPENS**
- * **SUNSHINE HEART RAISES \$49m**
- * **AUSTRALIAN ANTISENSE ATL1102 MULTIPLE SCLEROSIS PATENT**
- * **DENLIN, TONY GRIST DILUTED BELOW 5% IN ONCOSIL**

MARKET REPORT

The Australian stock market regained 0.8 percent on Wednesday September 25, 2013 with the S&P ASX 200 up 41.7 points to 5,275.9 points.

Twenty-three of the Biotech Daily Top 40 stocks were up, eight fell, five traded unchanged and four were untraded. All three Big Caps were up.

Allied Health was the best for the second day in a row, following news of its five cents a share rights issue, up 1.5 cents or 20 percent to 8.9 cents with 18.1 million shares traded as investors bought shares to comply with the October 1, 2013 record date.

Living Cell climbed 18.3 percent; Tissue Therapies was up 14.0 percent; Ellex rose 11.1 percent; Prana was up 10.1 percent; Atcor was up 9.1 percent; QRX rose 8.3 percent; both Antisense and Benitec were up 7.14 percent; Optiscan and Viralytics were up more than five percent; Cochlear climbed 4.2 percent; Cellmid, Mesoblast and Nanosonics were up more than three percent; Alchemia, Bionomics, Impedimed and Universal Biosensors rose two percent or more; Acrux, Anteo, Clinuvel, Osprey and Psivida were up more than one percent; with CSL and Resmed up by less than one percent.

Phylogica led the few falls, down 0.1 cents or 5.6 percent to 1.7 cents with 74,000 shares traded. Avita fell four percent; Phosphagenics and Prima shed more than two percent; Genetic Technologies and IDT were down more than one percent; with GI Dynamics and Sirtex down by less than one percent.

ALLIED HEALTHCARE GROUP

Allied Health says that five-year data from its ongoing phase II extension study of Cardiocel continues to show no calcification, a common problem with cardiac repair. Allied Health chief operating officer Dr Julian Chick told Biotech Daily that 30 paediatric patients aged from two months to 14 years were treated for a range of congenital heart defects including hole-in-the-heart operations, with a further 90 patients treated under the special access scheme.

Dr Chick said that 23 patients had been followed in the extension study to date.

In its media release Allied Heath said the Cardiocel Adapt-treated bovine cardiac tissue “showed continued evidence of the long-term benefits ... for patients, including no sign of calcification at the site of repair”.

Allied said that as part of the study, five patients had been monitored over a five year period post-surgery, with the results showing no signs of calcification in these patients. The company said that an additional six patients had progressed beyond four years, and eight beyond three years, all showing no signs of calcification in ongoing post-surgical monitoring.

Allied said that the original phase II study met its primary and secondary endpoints of 30 day survival post-surgery.

Allied chief executive officer Lee Rodne said the results “show the potential of Cardiocel in not only providing a regenerative tissue for the repair and reconstruction of congenital heart disease and cardiovascular defects, but also the long term benefit for patients in preventing calcification of tissue”.

“This data will be used to support ongoing launch activities in Europe by highlighting the long-term benefits of the product,” Mr Rodne said.

Mr Rodne said the company was expecting sales of Cardiocel in Europe in the coming months and expected approval in the US in 2014.

Allied was up 1.5 cents or 20 percent to 8.9 cents with 18.1 million shares traded.

VICTORIA GOVERNMENT

Victoria’s Minister for Technology Gordon Rich-Phillips says the \$8 million technology implementation voucher program has opened offering vouchers worth up to \$250,000.

Mr Rich-Phillips said the vouchers were to improve products, processes and services and enhance the ability to compete.

Mr Rich-Phillips said that applications were being sought for novel technology projects as part of the Victorian Government’s \$8 million Technology Voucher Program.

“The Technology Implementation voucher, worth up to \$250,000, helps companies get through the critical stages of demonstrating the technical viability of projects and scaling up for commercial implementation,” Mr Rich-Phillips said.

“These vouchers focus on projects that create more competitive products, processes and services through the application of small technologies, industrial biotechnology or advanced information and communication technology in innovative or novel ways,” Mr Rich-Phillips said. “Successful companies will be awarded Technology Implementation vouchers to undertake substantial testing or applied development activities in order to adapt, adopt or develop technology-enabled innovation for new practice or new markets.”

Mr Rich-Phillips said that seven companies were awarded Technology Implementation vouchers earlier this year.

Applications close on October 22, 2013.

For more information and to apply go to: www.business.vic.gov.au/tvp.

SUNSHINE HEART

Sunshine Heart says it has raised \$US46,005,750 (\$A49,063,710) through the issue of 4,381,500 US shares at \$US10.50 each, including the full over-allotment.

Sunshine Heart said that net proceeds after costs would be about \$US42.6 million.

Sunshine Heart said that Piper Jaffray & Co and Cowen and Co were joint book-running managers and Lazard Capital Markets was co-lead manager for the offer, with Craig-Hallum Capital Group and Northland Securities acting as co-managers.

Last week Sunshine Heart said it hoped to raise \$US40,005,000 (\$A42,326,494) through the issue of 3,810,000 shares at \$US10.50 a share (BD: Sep 19, 20, 2013).

Last night on the Nasdaq, Sunshine Heart fell eight US cents or 0.73 percent to \$US10.85 (\$A11.57, equivalent to 5.785 cents before it left the ASX) with 213,401 shares traded.

ANTISENSE THERAPEUTICS

Antisense says the Australian Patent Office has accepted a patent relating to ATL1102, entitled 'Methods for Treating Multiple Sclerosis using Antisense Oligonucleotides'.

In February, the US Patent Office allowed the same patent covering ATL1102 for relapsing-remitting multiple sclerosis patients until 2029, potentially extendable to 2034, the same coverage sought from the Australian Patent Office (BD: Feb 12, 2013).

Mr Diamond said there had been a delay in completing a reviewed journal article on its 2008 randomized, double-blind, placebo-controlled phase IIa study which met its primary endpoint showing a significant reduction by 54.4 percent ($p = 0.01$) in the cumulative number of new active brain lesions in patients taking ATL1102 for eight weeks, compared to placebo, as measured by magnetic resonance images (BD: Jun 30, 2008; Jun 4, 2013). Today, Antisense said that the article was expected to be completed and submitted by the end of 2013.

Antisense said it was "beyond the half-way point" in its six month chronic primate toxicology study conducted at Pharmaron in China.

The company said that all animals had been dosed with ATL1102 for three months at the two dosing levels employed in the study.

Antisense said that Pharmaron advised that there had been no abnormal or negative clinical observations in any of the in-life parameters of haematology, serum chemistry, coagulation, food consumption and body weight being monitored.

The company said that dosing was expected to be completed by the end of the 2013, with results in early 2014.

Antisense was up 0.1 cents or 7.1 percent to 1.5 cents with 5.2 million shares traded.

ONCOSIL MEDICAL

The Perth, Western Australia-based Denlin Nominees says its 15,000,000 share holding has been diluted from 6.46 percent to 4.96 percent.

The Denlin Nominees director Tony Grist said the dilution was caused by the recent \$7.8 million placement at 13 cents a share (BD: Sep 13, 2013).

Oncosil fell half a cent or 3.6 percent to 13.5 cents with 1.1 million shares traded.