



Biotech Daily

Thursday September 26, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: LIVING CELL UP 18%; ANTISENSE DOWN 7%**
- * **MENZIES RESEARCH: 'LESS DRUGS WITH ATCOR SPHYGMOCOR'**
- * **US APPROVES ELLEX SLT FOR GOVERNMENT CONTRACTS**
- * **GENETIC TECHNOLOGIES' IMMUNAID TO RAISE UP TO \$10m**
- * **PSIVIDA REVENUE DOWN 39% TO \$2m, LOSS DOWN 52% TO \$13m**
- * **GENERATION, UNNAMED ASSOCIATES TAKE 5% OF COCHLEAR**

MARKET REPORT

The Australian stock market climbed 0.35 percent on Thursday September 26, 2013 with the S&P ASX 200 up 18.6 points to 5,294.5 points.

Seventeen of the Biotech Daily Top 40 stocks were up, 15 fell, four traded unchanged and four were untraded.

Living Cell was the best, up 1.5 cents or 17.9 percent to 9.9 cents with 2.6 million shares traded, followed by Phylogica up 11.8 percent to 1.9 cents with 668,418 shares traded and Prana up 10.3 percent to 48 cents with 993,728 shares traded.

Nanosonics climbed 5.7 percent; Allied Health and Avita rose more than four percent; Ellex, Pharmaxis and Psivida were up more than three percent; Bionomics, GI Dynamics and Starpharma rose two percent or more; IDT, Neuren, QRX, Resmed and Reva were up more than one percent; with Cochlear and Sirtex up by less than one percent.

Antisense led the falls, down 0.1 cents or 6.7 percent to 1.4 cents with 5.4 million shares traded.

Atcor, Prima and Uscom fell five percent or more; Clinuvel was down 3.3 percent; Patrys and Viralytics shed more than two percent; Anteo, Benitec, CSL, Phosphagenics, Tissue Therapies and Universal Biosensors were down more than one percent; with Acrux, Medical Developments and Mesoblast down by less than one percent.

ATCOR MEDICAL

Atcor says that the Menzies Research Institute Tasmania has shown that its Sphygmocor system can be used to manage high blood pressure with reduced need for medication. Atcor said that the Menzies Research Institute Tasmania at the Hobart-based University of Tasmania reported the 286-patient, randomized, clinical study of its non-invasive Sphygmocor central aortic blood pressure and arterial stiffness measure in an article entitled 'Randomized trial of guiding hypertension management using central aortic blood pressure compared with best-practice care: Principal findings of the BP GUIDE study' published in the American Heart Association journal Hypertension.

The abstract concluded that "guidance of hypertension management with central BP [blood pressure] results in a significantly different therapeutic pathway than conventional cuff BP, with less use of medication to achieve BP control and no adverse effects on left ventricular mass, aortic stiffness, or quality of life".

Atcor said the study was designed to determine the value of central blood pressure for guiding management of hypertension and that in the prospective, open-label, blinded-end point study, all patients received best-practice care, with 144 patients also having therapy guided using central blood pressure measured with its Sphygmocor system.

Atcor chief executive officer Duncan Ross said the study "points towards the medical and economic value of using central blood pressure to guide management of hypertensive patients".

Menzies Research Institute lead author Prof James Sharman said that central blood pressure was a more accurate indicator of the pressure the heart and other vital organs experienced.

"The main finding was that significantly less medication was needed to achieve healthy blood pressure levels when treatment decisions were based on central blood pressure," Prof Sharman said. "Sixteen percent of the participants came off medication altogether." "These are important findings because people taking these medications can experience unwanted side effects that impact on quality of life, but these adverse effects are less likely with lower doses," Prof Sharman said.

Atcor fell one cent or 5.6 percent to 17 cents with 2.9 million shares traded.

ELLEX MEDICAL LASERS

Ellex says its selective laser trabeculoplasty (SLT) glaucoma lasers have qualified for inclusion on its US Government Services Administration contract.

Ellex said that from October 1, 2013, the SLT lasers could be sold to US government medical facilities and the Ellex Tango selective laser trabeculoplasty yttrium aluminium garnet (SLT-YAG) laser and Solo SLT laser would be added to its US contract.

The company said that SLT was a non-invasive and non-thermal glaucoma therapy.

Ellex said the US Government contract included its range of cataract and retinal lasers, as well as its diagnostic ultrasound system.

Ellex chief executive officer Tom Spurling said the contract inclusion "demonstrates to a potential US Government buyer that, along with our other products, Ellex is a responsible vendor of SLT lasers."

"We are now one of only two medical device manufacturers who can sell their SLT lasers to US government medical facilities," Mr Spurling said. "We are also the first manufacturer to be granted this status for SLT since the July 8, 2013 expiration of the SLT patent, which previously precluded our entry into the US market," Mr Spurling said.

Ellex was up one cent or 3.3 percent to 31 cents.

GENETIC TECHNOLOGIES, IMMUNAID

Immunaid chief executive officer Dr Mervyn Jacobson says the company hopes to raise up to \$10 million by the end of 2013, to advance its cancer treatment strategy.

Dr Jacobson told Biotech Daily that he hoped to raise between \$5 million and \$10 million and that the Immunaid concept of timing immunotherapy for cancer was gaining traction with publication in journals and addresses to conferences.

In a media release, the Dr Jacobson-founded Genetic Technologies said that it was the largest shareholder in Immunaid with 4,500,000 shares or 45 percent of Immunaid.

Genetic Technologies said the new shares were being offered at \$5.00 per share, compared with the \$1.00 a share issue price in its first fundraising in April 2012.

Genetic Technologies said that Immunaid intended to use the proceeds to expand its patent portfolio and support further human and animal trials directed at validating additional applications of its strategy for treating patients with life-threatening diseases, such as cancer and auto-immune disease.

An article entitled 'Deconstructing and Reinventing the IL-2 Paradigm: Can Alternate Dosing Schedules Enhance Tumor Effect?' published in the journal Kidney Cancer concluded that "new concepts are emerging concerning the use of [interleukin-2] IL-2 therapy, based on observations that alternative dosing schedules appear to be less toxic and more manageable, while providing at least comparable and possibly enhanced tumor efficacy".

"A biological hypothesis suggests that schedule alterations may augment the cytotoxic component of the bimodal role of IL2 in the immune system, based on the intrinsic immune status of certain patients," the journal article concluded.

"Although still in need of validation, the hypothesis has been advanced that synchronizing the administration of IL-2 to match fluctuations in a patient's immune response could enhance the ability of anti-tumor effector cells to produce a substantial increase in the complete response rate," the journal article concluded.

"Prospective trials are needed to both investigate an alternative more tolerable schedule, for efficacy and clinical applicability, and to additionally explore the biological evaluation component to determine whether these initial observations of immune synchronization can translate into results with an impact on clinical practice," the journal article concluded.

The entire article, referring to research by Immunaid's chief research scientist Martin Ashdown and Royal Adelaide Hospital oncologist Dr Brendon Coventry is available at:

<http://kidney-cancer-journal.com/?p=318>.

Investors wanting to participate can contact Dr Jacobson at: mjacob2579@aol.com.

Genetic Technologies was unchanged at eight cents.

PSIVIDA CORP

Psivida's revenue for the year to June 30, 2013 fell 39.2 percent to \$US2,143,000 (\$A2,290,870) with net loss after tax down 52.1 percent to \$US11,900,000 (\$A12,720,600).

Psivida said that royalty income fell 5.7 percent to \$US1,363,000 and collaborative research and development income fell 62.5 percent from \$US2,080,000 to \$US780,000.

Psivida said that the previous year's loss included a \$US14,830,000 expense for "impairment of intangible assets" with impairment in the year to June 30, 2103.

The company said diluted loss per share was reduced from \$US1.19 at June 30, 2012 to 52 US cents at June 30, 2013 and it had cash and equivalents of \$US10,273,000 at June 30, 2013 compared to \$US14,571,000 at June 30, 2012.

Psivida was up 15 cents or 3.6 percent to \$4.35.

COCHLEAR

Generation Investment Management has become a substantial shareholder in Cochlear with 2,908,223 shares (5.10%), for a range of unnamed shareholders.

London-based Generation partner Peter Harris said the company held the shares “in its capacity as investment manager for a range of client portfolios” and said the registered holders included, Citigroup, HSBC Bank Australia, JP Morgan Chase Bank, State Street Bank, Skandinaviska Enskilda Banken, Credit Agricole and Bank of New York.

Generation said that between June 13 and September 20, 2013 it acquired 2,908,223 shares for \$174,946,603 or an average price of \$60.16 a share.

Last week Shroder Investment Manager and its unnamed associates filed a similar substantial shareholder notice for Cochlear (BD: Sep 20, 2013).

Cochlear climbed 34 cents or 0.55 percent to \$61.78 with 490,705 shares traded.