



Biotech Daily

Tuesday October 15, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH UP: PHARMAXIS UP 17%, PSIVIDA DOWN 13%**
- * **MEDICAL DEVELOPMENTS FILES EUROPEAN PENTHROX APPLICATION**
- * **ECO QUEST \$6m SHARE PLAN OPENS**
- * **USCOM: 'CHINA'S PIONEER COMMITS TO 5-YEAR, \$7m DISTRIBUTION'**
- * **QRX LICENCES SOUTH AFRICA MOXDUO IR TO ASPEN**
- * **INNATE COMPLETES MOVE FROM NZ TO SYDNEY FOR MS DRUG**
- * **BENITEC AGM FOR 67% INCREASE IN DIRECTORS FEE POOL**
- * **GENETIC TECHNO TOM HOWITT ACTING CEO, ALISON MEW ON LEAVE**

MARKET REPORT

The Australian stock market climbed 0.98 percent on Tuesday October 15, 2013 with the S&P ASX 200 up 51.2 points to 5,259.1 points.

Seventeen of the Biotech Daily Top 40 stocks were up, 12 fell, six traded unchanged and five were untraded.

Pharmaxis was best, up two cents or 17.4 percent to 13.5 cents, with 2.3 million shares traded, followed by Neuren up 12.5 percent to 13.5 cents with 7.1 million shares traded.

Atcor climbed 8.3 percent; Benitec, Bionomics and Medical Developments were up more than seven percent; Allied Health was up 6.5 percent; Cellmid, Patrys, Prima, Reva and Tissue Therapies were up more than three percent; Nanosonics and Optiscan rose more than one percent; with CSL, GI Dynamics, QRX, Resmed and Starpharma up by less than one percent.

Psivida led the falls, down 63 cents or 12.6 percent to \$4.36 with 12,400 shares traded.

Antisense lost 8.3 percent; Anteo and Uscom fell more than five percent; Universal Biosensors fell 4.6 percent; Genetic Technologies and IDT were down more than three percent; Clinuvel shed 2.3 percent; Cochlear, Mesoblast and Phosphagenics were down more than one percent; with Acrux and Sirtex down by less than one percent.

MEDICAL DEVELOPMENTS INTERNATIONAL

Medical Developments says it has lodged its European marketing authorization application for its Pentrox methoxyflurane analgesic inhaler.

Medical Developments said the application had been accepted for review by the UK Medicines and Healthcare Products Regulatory Agency and once approved, Pentrox would be available for sale in the UK, France, Belgium and Ireland.

The company said that the application contained its regulatory dossier which was the compilation of clinical and non-clinical studies evidencing the safety and efficacy of Pentrox.

Medical Developments chief executive officer John Sharman said the acceptance of the application for review was "a significant milestone for our company".

"The dossier has the potential to be 'company making', not only by an approval in Europe but by using it to apply for registration in other jurisdictions," Mr Sharman said.

"Pentrox, being a non-narcotic, non-addictive, fast acting, powerful and safe analgesic has the potential to dominate many markets around the world and provide patients with much needed pain relief," Mr Sharman said.

Mr Sharman said that while waiting for regulatory approval the company would customize and translate the dossier for other markets and/or use it to supplement applications already being considered in Russia and other markets.

"Pentrox has been used safely and effectively for more than 20 years in Australia and more than three million doses have been administered to patients, so the safety and efficacy of Pentrox and its potential use in new markets is well established," Mr Sharman said.

Medical Developments said that since 2011, it had invested more than \$5.3 million to complete studies, including a 300-patient, phase III, pivotal clinical study in the UK for the treatment of acute pain in patients presenting to an emergency department with minor trauma; a phase III study for the treatment of incident pain in patients undergoing a bone marrow biopsy at Melbourne's Peter MacCallum Cancer Centre; a cardiac impact study at Nucleus Network's Melbourne facility at the Burnet Institute; and a non-clinical study to evaluate the cardiovascular and respiratory effects of inhaled methoxyflurane in Huntingdon, England.

Medical Developments was up 10 cents or 7.4 percent to \$1.45.

ECO QUEST

Eco Quest says it hopes to raise up to \$6 million through the issue of 15,000,000 shares at 40 cents a share to fund its Cynata stem cell acquisition.

Last month, Eco Quest said it would conduct a 20-to-one consolidation, raise up to \$6 million and change its name to Cynata Therapeutics (BD: Sep 24, 2013).

Today Eco Quest said that the minimum for the share offer would be \$5,000,000, which was fully underwritten by Forrest Capital and KTM Capital.

The company said that investors could apply for a minimum of 5,000 shares for \$2,000 and above that in multiples of 2,500 shares.

Eco Quest said the offer opened yesterday October 14, and would close on November 6, 2013.

An annual general meeting to approve the consolidation, share offer and change of name will be held in Perth, Western Australia, on October 29, 2013.

Eco Quest was unchanged at 2.3 cents with 1.2 million shares traded.

USCOM

Uscom says it has a distribution deal with Shanghai's Naqu Area Pioneer Pharma Co with a commitment for \$6.6 million in purchases over five-years.

Uscom said that the Naqu Area Pioneer Pharma was a wholly-owned subsidiary of China Pioneer Pharma Holdings and it would target purchases of \$8.3 million of the company's ultra-sonic cardiac output monitors.

The company said that distribution would begin completion of the State Food and Drug Administration approval, which was expected in 2014.

Uscom said that China Pioneer had about 230 sales personnel and was supported by about 1000 third-party partners, selling to 20,000 hospitals and 50,000 pharmacies.

Pioneer Pharma president Paul Li said that Uscom's "focus on premium cardiovascular medical devices ... [was] very much aligned with the philosophy of Pioneer".

Uscom executive chairman Rob Phillips said that Pioneer brought "great sales access to the increasingly sophisticated and rapidly growing Chinese medical device market".

"This commitment to a long-term partnership by Pioneer provides Uscom with a platform on which to introduce new and innovative medical products into China, and having an internationally respected partner is vital for success in China," Mr Phillips said.

Uscom said that China spent about RMB2.5 trillion (\$A429 billion) on health care or about 5.5 percent of GDP and planned to increase this to 7.0 percent by 2020 to become the second largest health care market in the world.

Uscom fell one cent or 5.6 percent to 17 cents.

QRX PHARMA

QRX says it has licenced the commercialization rights to immediate release Moxduo in South Africa to the Durban-based Aspen Pharmacare Holdings.

Last month, QRX said it had licenced the Australia, New Zealand and Oceania commercialization rights to immediate release Moxduo to Aspen's Australian subsidiary, with an option for South Africa, which Aspen had exercised (BD: Sep 11, 2013).

The company said that Aspen would receive exclusive rights to commercialize immediate release Moxduo in South Africa and assume responsibility for regulatory filing, launch costs, marketing and sales efforts and QRX would receive a \$250,000 milestone payment on regulatory approval, together with double digit royalties on all sales.

QRX said it retained all rights to the intravenous and controlled release formulations of Moxduo in South Africa.

QRX was up half a cent or 0.8 percent to 66 cents.

INNATE IMMUNOTHERAPEUTICS

Innate Immunotherapeutics says it has migrated its operations from Auckland, New Zealand to Sydney to develop MIS416 for secondary progressive multiple sclerosis.

Innate chief executive officer Simon Wilkinson said the move was "a significant milestone" following strong interest from pharmaceutical companies and investors in MIS416.

"Australia is an attractive market for both capital investment as well as clinical need," Mr Wilkinson said. "On the back of our successful phase IIa clinical trial data completed to date on MIS416 in New Zealand, we are now seeking to commence a large, randomized phase IIb trial using MIS416 in multiple states in Australia," Mr Wilkinson said.

Last month, Mr Wilkinson told Biotech Daily that the company hoped to raise up to \$12 million to fund its 90-patient phase IIb trial (BD: Sep 5, 2013)

Innate is a public unlisted company.

BENITEC BIOPHARMA

Benitec will vote to increase the non-executive directors' payments pool by 66.7 percent from \$300,000 to a maximum of \$500,000 a year.

Benitec said it proposed to issue director Kevin Buchi 400,000 options exercisable at 62.5 cents by May 18, 2018.

The company's notice of meeting said it would also seek shareholder approval for the re-election of directors Mr Buchi, Dr John Chiplin and Iain Ross; approval of the remuneration report; approval of a prior share issue for the Tacere acquisition; and the approval of its placement facility.

The meeting will be held at Grant Thornton, the Rialto, Level 30, 525 Collins Street, Melbourne on November 14, 2013 at 11am (AEDT).

Benitec was up 3.5 cents or 7.4 percent to 51 cents.

GENETIC TECHNOLOGIES

Genetic Technologies says that for health reasons chief executive officer Alison Mew will be stepping aside for three months, from today, October 15, 2013.

The company said that chief financial officer Tom Howitt would assume the role of acting chief executive officer as well as continuing as chief financial officer.

Genetic Technologies said that Mr Howitt had been with the company for more than nine years and had "a wealth of experience to steer the company through this period".

The company said that Mr Howitt would be assisted by chairman Dr Mal Brandon and external advisors.

Genetic Technologies said that Ms Mew was expected to return as chief executive officer "in early 2014".

Genetic Technologies fell 0.3 cents or 3.9 percent to 7.4 cents.