



Biotech Daily

Wednesday October 16, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX EVEN, BIOTECH DOWN: CELLMID UP 10%, ANTISENSE DOWN 9%**
- * **RAMACIOTTI FOUNDATIONS \$2.2m FOR BIOMEDICAL RESEARCH**
- * **OSPREY RAISES \$14m**
- * **CSL AGM: 20% OPPOSE CEO PAUL PERREAULT 'PERFORMANCE RIGHTS'**
- * **US, AUSTRALIAN PATENTS FOR BPH, CORTICAL DYNAMICS MONITOR**
- * **ISONEA, UHEALTH SALES, DISTRIBUTION COLLABORATION**
- * **PHARMAXIS Q1 BRONCHITOL SALES UP 179%**
- * **NOVOGEN UP 36% ON DEAL SPECULATION**

MARKET REPORT

The Australian stock market edged up 0.07 percent on Wednesday October 16, 2013 with the S&P ASX 200 up 3.8 points to 5,262.9 points.

Six of the Biotech Daily Top 40 stocks were up, 19 fell, 10 traded unchanged and five were untraded.

Cellmid was the best, up 0.3 cents or 10 percent to 3.3 cents, with 12.0 million shares traded.

Allied Health climbed 7.1 percent; Alchemia and Living Cell were up more than three percent; Mesoblast rose 2.6 percent; CSL was up 1.35 percent with Bionomics up 0.6 percent.

Antisense led the falls, down 0.1 cents or 9.1 percent to one cent with 18.8 million shares traded.

Avita lost 8.3 percent; Pharmaxis and Tissue Therapies fell more than three percent; Atcor Benitec, Cochlear, Osprey and Starpharma shed more than two percent; Acrux, IDT, Nanosonics, Phosphagenics, Prana, Reva, Resmed and Viralytics were down more than one percent; with GI Dynamics, Medical Developments, QRX and Sirtex down by less than one percent.

RAMACIOTTI FOUNDATIONS

The Ramaciotti Foundations has provided \$1 million to the Centenary Institute, awarded Prof Doug Hilton the \$50,000 Ramaciotti meda and distributed \$1.2 million in grants. A media release from Perpetual Trustees philanthropic division, which manages the Ramaciotti Foundations said that the \$50,000 medal for excellence in biomedical research was awarded to Walter and Eliza Hall Institute director Prof Hilton for his discoveries in blood cell production.

Perpetual said that Prof Hilton discovered the leukaemia inhibitory factor (LIF) protein applied in stem cell technology and was a “world acclaimed leader in cytokine research and genetic abnormalities in blood cells”.

Perpetual said the bi-annual \$1 million Ramaciotti biomedical research award was awarded to Sydeny’s Centenary Institute’s cytometry research program led by Prof Barbara Fazekas de St Groth and Dr Adrian Smith in collaboration with the University of Sydney’s Prof Nicholas King.

The media release said that the cytometry research program was “a cutting edge technology that can test a single cell ... for up to 100 different characteristics, more than five times the number currently allowed by laser technology using fluorescence detection”. Perpetual said that the ability to compute mass data simultaneously was “a giant leap in understanding immune abnormalities linked to western lifestyle conditions including chronic allergies, arthritis, obesity and Alzheimer’s”.

The media release said the technology would be housed in the Ramaciotti Centre for Human Systems Biology, to be established by the Centenary Institute and the University of Sydney.

The media release said that Ramaciotti Foundations equipment and establishment grants of up to \$75,000 had been awarded to 17 medical researchers across Australia.

The Foundations said they were managed by Perpetual to support biomedical research through assistance to areas of research including molecular biology, genetics and immunology and assisting young researchers taking up new challenges in biomedical research.

The detailed award list is at: <http://www.perpetual.com.au/ramaciotti/award-recipients.htm>.

The media release said the Ramaciotti Foundations were established in 1970 by Vera Ramaciotti with \$6.7 million in funds. Since then, the charitable trusts have donated more than \$52.5 million to biomedical research with a further \$52 million invested for future contributions.

Perpetual said that in deciding the grants it was advised by a scientific advisory committee led by Prof Derek Hart.

Prof Hart said selecting this year’s winners was like separating excellent from excellence, making the judging a fascinating yet heartbreaking process.

“We see so many applications from bright young people doing wondrous work, it is hard not to worry about their prospects without more investment and facilitative programs such as Ramaciotti,” Professor Hart said.

“Medical research needs time, patience and adequate funding for discoveries to translate beyond the lab and into investment cycles, allowing for grants to make a real difference,” Prof Hart said.

Perpetual philanthropic services head Andrew Thomas said the Awards were a testament to what can be achieved when a strong vision is applied to structured giving.

“The Ramaciotti Foundations are an outstanding example of high impact philanthropy in perpetuity.”

OSPREY MEDICAL

Osprey says it has commitments to raise \$14 million through an oversubscribed private placement of 21,538,461 CHESS depositary interests (CDIs) at 65 cents each.

Osprey said the funds strengthened its balance sheet as it prepared for the US launch of its Avert cardiac dye reduction system; completed the Avert trial to enhance the US Food and Drug Administration-approved marketing claim; completed a 20-patient diabetic limb recovery trial for Australian and European approval for the diabetic limb recovery product; further product development; and the launch of the Avert system targeted for mid-2015.

The company said that about 2.3 million CDIs had been subscribed by its largest shareholders, Brandon Managed Funds, through the BBF1 Trust and the Medical Research Commercialization Fund and Talu Ventures (formerly CM Capital).

Osprey said that Canaccord Genuity (Australia) was the placement's lead manager.

Osprey fell two cents or 2.9 percent to 68 cents.

CSL

Nearly 20 percent of CSL shareholder votes opposed granting chief executive officer Paul Perreault up to 25,000 'performance rights' worth \$1,656,500 at tonight's closing price.

A total of 51,925,543 (19.52%) opposed the resolution, with 214,129,251 votes (80.48%) in favor.

CSL's most recent Appendix 3B new issue announcement said it had 486,908,913 shares on issue, meaning that the votes against the rights amounted to 10.7 percent of the company, sufficient to requisition extraordinary general meetings.

In March, CSL said that Mr Perreault would start on July 1, 2103 with a base salary of \$US1,700,000 a year with entitlements of 100 percent in 'short-term incentives', a further 60 percent in "hurdled performance rights" and a further 60 percent through an executive deferred incentive plan, totaling \$US5,440,000 (\$A5,711,000) (BD: Mar 8, 2013).

The remuneration report was opposed by 28,745,885 votes (10.7%) with 239,055,281 votes (89.3%) in favor; 9,547,131 votes (3.6%) opposed termination benefits to former chief executive officer Dr Brian McNamee, with 258,495,647 votes (96.4%) in support.

Directors John Akehurst and Marie McDonald were elected overwhelmingly.

CSL was up 88 cents or 1.35 percent to \$66.26 with 1.5 million shares traded.

BPH ENERGY, CORTICAL DYNAMICS

BPH says that three percent investee company Cortical Dynamics has been granted a US and an Australian patent for its brain anaesthesia response monitoring system.

BPH said the US Patent and Trademark Office had granted a patent entitled, 'EEG analysis system', providing exclusivity until July 2030.

The company said it was Cortical Dynamics third granted patent in the US and previously had been granted in Australia, China, Japan and New Zealand.

BPH said that the Australian Patent Office had granted a patent entitled, 'Neurodiagnostic monitoring and display system' with an expiry date of November 2027.

BPH and Cortical chairman David Breeze said that granting of the two patents was "another major step in protecting Cortical's innovations in depth of anaesthesia monitoring".

"Our unique physiological approach to depth of anaesthesia monitoring has proven competitive advantages over other existing technologies and it has been recognized as being both novel and protectable," Mr Beeze said.

BPH was up 0.3 cents or 21.3 percent to 1.7 cents.

ISONEA

Isona says it will collaborate with Sydney-based digital health organization Uhealth on sales and distribution opportunities for the Airsona wheeze rate monitoring device. Isona said Uhealth would explore new commercial pathways for sales of Airsona in pharmacies around the country, as well as educate pharmacists on Airsona and the mobile health opportunity.

The company said that Uhealth would establish a general practitioner education program to ensure doctors treating asthma patients were aware of the technology and confident recommending its use.

Isona said that Uhealth would be responsible for overseeing the local ordering process and management of device distribution in Australia.

Isona chief executive officer Michael Thomas said the partnership was pivotal "to continue aggressively promoting the technology and its availability".

"We launched our Airsona device as an online and e-commerce product for the Australian market at the end of September," Mr Thomas said.

"This partnership will help to maximize the commercial opportunity presented by this first in class technology and substantially increase access to patients suffering from asthma via the pharmacy channels," Mr Thomas said.

"This partnership will enhance pharmacist engagement with asthma patients to ensure they are properly educated about how our technology can transform asthma management in Australia as well as globally," Mr Thomas said.

Uhealth director Jeff Reid said his company had a strong track record of successful digital health product commercializations and would work with peak bodies, government institutions and industry groups to incorporate Airsona into pharmacy based asthma management programs.

Isona said the companies would conduct new research into the benefits of Airsona "with a view to establishing the technology as a standard of care for all asthmatics."

Isona fell 2.5 cents or four percent to 60.5 cents.

PHARMAXIS

Pharmaxis says that Bronchitol sales are up 179 percent for the three months to September 30, 2013 compared to the previous comparable period in 2012.

Pharmaxis said in its Appendix 4C that total revenue, including Aridol and Bronchitol, for the three months was up 115.3 percent to \$1,154,000 compared to \$536,000 a year ago. The company's Quarterly Investor Briefing said that sales of Bronchitol was up 179 percent compared to the previous corresponding period and up 25 percent compared to the three months to June 30, 2103.

Pharmaxis said that Bronchitol revenue for the three months to September 30, 2013 was up 87 percent in the UK compared to the three months to June 30, 2013 and up 17 percent in Australia and 14 percent in Germany for the same periods.

The company said that Aridol sales for the three months to September 30, 2013 increased 29 percent compared to the three months to September 30, 2012 and eight percent compared to the previous three months.

The announcement was released after the market closed with Pharmaxis down half a cent or 3.7 percent to 13 cents with 1.7 million shares traded.

NOVOGEN

Novogen emerged from a two-hour trading halt to say it could not comment on an overnight share price rise on the Nasdaq, following US media speculation about a deal. Novogen requested the trading halt at 10.15am “pending the release of a response to the speculations published in the media in relation to a partnership with another entity”.

At 12.16pm, Novogen chief executive officer Dr Graham Kelly said the company was “unable to provide an explanation for the 45 percent rise in its ADR stock overnight on the Nasdaq ... other than the observation that [it] followed an article that appeared yesterday in the US press that speculated on the future of the company”.

“That article, in part, speculated on the possibility that the company was engaged in discussions with another party in relation to its super-benzopyran drug technology,” Dr Kelly said.

“The company is seeking to establish a structure that will facilitate its goal of delivering personalized chemotherapy on an individual patient basis,” Dr Kelly said.

“The company currently is working towards establishing such a structure that will be announced when and if it is established,” Dr Kelly said.

“Until then, the company is not in any position to provide any more details,” Dr Kelly said. Novogen was up six cents or 36.4 percent to 22.5 cents with 4.9 million shares traded.