



# Biotech Daily

Tuesday October 22, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **ASX UP, BIOTECH DOWN: OSPREY UP 7%, ATCOR DOWN 12%**
- \* **NEUREN PLACES \$21.5m, SHARE PLAN FOR \$3m MORE**
- \* **WALTER AND ELIZA HALL TRUST FUNDS WEHI EQUIPMENT**
- \* **OSPREY BEGINS 20-PATIENT DIABETIC LIMB RECOVERY TRIAL**
- \* **ALLAN GRAY RETURNS TO SUBSTANTIAL IN ACRUX**
- \* **WESTPAC, BT TAKE 6%; NAB, ASSOCIATES 'LEND' BELOW 5% OF ACRUX**
- \* **CORRECTION: IDT; I'ROM INCREASES, DILUTED TO 16.5% OF IDT**
- \* **INVION PLEADS SCHULTZ TO ASX 47% QUERY**
- \* **VIRAX APPOINTS SEAN HENBURY CO SEC**
- \* **HAPPY 10<sup>th</sup> BIRTHDAY TO PHARMAUST'S EPICHEM**
- \* **AUSBIOTECH READIES FOR MELBOURNE, BRISBANE CONFERENCES**

## MARKET REPORT

The Australian stock market was up 0.4 percent on Tuesday October 22, 2013 with the S&P ASX 200 up 21.3 points to 5,373.1 points. Thirteen of the Biotech Daily Top 40 stocks were up, 20 fell and seven traded unchanged.

Osprey was the best, up five cents or 7.1 percent to 75 cents. Impedimed climbed 6.1 percent; Avita and Phosphagenics were up more than four percent; Anteo and QRX were up more than three percent; Cellmid, Genetic Technologies and Prima rose more than two percent; Compumedics and Reva were up more than one percent; with Acrux, Cochlear, Resmed and Sirtex up by less than one percent.

Atcor led the falls, down 2.5 cents or 11.9 percent to 18.5 cents with 1.9 million shares traded. Benitec lost 9.15 percent; Antisense fell 7.7 percent; Ellex and Living Cell were down more than six percent; Prana was down 5.9 percent; Allied Health, Circadian, Phylogica and Psivida fell four percent or more; both Clinuvel and Pharmaxis were down 3.85 percent; Alchemia, Nanosonics and Viralytics shed more than two percent; GI Dynamics, Mesoblast and Tissue Therapies were down more than one percent; with Bionomics, CSL and Starpharma down by less than one percent.

## NEUREN PHARMACEUTICALS

Neuren says it has raised \$21.5 million in a placement to professional and sophisticated investors at 11.5 cents a share and will offer a shareholder plan capped at \$3 million. Neuren said the placement was heavily over-subscribed, "an indication of the strong support from international and domestic institutional investors".

The company said that the share purchase plan at the same price was restricted to shareholders registered at the close of business on October 18, 2013.

Neuren said the funds provided "the financial strength to accelerate execution of its development and commercialization strategy by: ensuring full funding through to completion of four phase II clinical trials of NNZ-2566 in Fragile X syndrome, Rett syndrome, concussion and traumatic brain injury; optimizing the manufacturing process for commercial supply of NNZ-2566; [and] advancing Neuren's second drug product NNZ-2591 through pre-clinical development".

The company said that the phase II Fragile X syndrome trial would be by the end of 2013 and it would be able to proceed with a phase II concussion trial by July 2014.

Neuren said that the top-line results from the phase II trials in four different indications were expected to be delivered in sequence from July 2014 through to the end of 2015.

The company said it had 'fast-track' designation from the US Food and Drug Administration for Fragile X syndrome, Rett syndrome and traumatic brain injury.

Neuren executive chairman Dr Richard Treagus said the company was "in a strong financial position to execute fully on Neuren's development and commercialization strategy, for the benefit of our shareholders and patients".

Neuren said Bell Potter was lead manager and book-runner and RBS Morgans was co-manager for the placement and the share plan details would be announced in due course. Neuren was unchanged with 15.4 million shares traded.

## THE WALTER AND ELIZA HALL INSTITUTE FOR MEDICAL RESEARCH

The Walter and Eliza Hall Institute says that founding donor, the Walter and Eliza Hall Trust, has provided more than \$500,000 for a microscope and flow cytometry equipment. The Institute said it would acquire a \$500,000 confocal microscope that would aid research into significant global diseases, along with a fluorescence-activated cell sorting device used in flow cytometry.

The Institute said the funding continued the near 100-year relationship between the Trust and the Institute to help end human suffering.

WEHI said that the Walter and Eliza Hall Trust was founded in 1912 by Eliza Hall, widow of businessman Walter Hall, to benefit the community through the alleviation of poverty and suffering and established the Walter and Eliza Hall Institute of Medical Research almost a century ago.

Institute director Prof Doug Hilton said he was delighted to be extending the historic relationship between the trust and the institute and "our benefactors, Walter and Eliza Hall, would be absolutely delighted with the important and valuable work both our organisations have achieved over the past century".

The Institute said that the confocal microscope would advance the research of more than 80 scientists at the institute, allowing them to collect multiple images of biological samples that could then be rendered into a three-dimensional representation of the specimen being examined.

The head of WEHI's imaging facility Dr Kelly Rogers said the new microscope had "the capacity to increase the speed and precision of analysis of biological samples, shortening the timeframe our researchers need to make discoveries".

## OSPREY MEDICAL

Osprey says it has enrolled the first of 20 patients in a trial of its Limb Recovery System for patients with diabetes with life or limb-threatening foot infections.

Osprey said the catheter-based technology allowed clinicians to use existing antibiotic therapy in a more targeted way and more aggressively.

The company said that the first patient was enrolled at the Royal Melbourne Hospital and the study would compare Osprey's percutaneous perfusion Limb Recovery System with standard intravenous delivery of antibiotic therapy for severe limb infections.

Osprey said the system enabled the limb circulation to be isolated and separated from general circulation, permitting the delivery of antibiotic drugs at higher and sustained doses than were achievable with standard intravenous care, by creating an artificial circuit with catheters in the major artery and vein of the lower limb.

The company said it completed a five patient pilot study in July (BD: Dec 4, 2012).

The head of the Royal Melbourne Hospital's diabetic foot unit and study principal investigator Prof Paul Wraight said the efficacy study would help determine how effective the technology was at managing high risk foot infections in patients with diabetes.

"The potential to offer a treatment option for patients who are at significant risk of requiring major limb amputation may benefit people that have no alternatives," Prof Wraight said.

Osprey said that more than 360 million people worldwide had diabetes, a number expected to increase by more than 50 percent by 2030 and they were prone to diabetic limb and foot infections due to insufficient blood flow and impaired wound healing.

The company said that standard oral or intravenous delivery of antibiotics was often ineffective because dose levels could not be achieved at a sufficient level at the site of infection, the leading cause of amputations globally, leading to increased rates of hospitalization and higher healthcare costs throughout the developed world.

Osprey was up five cents or 7.1 percent to 75 cents.

## ACRUX

Allan Gray Australia (formerly Orbis Investment Management) has become a substantial holder in Acrux increasing from 8,318,315 shares (4.99) to 9,302,949 shares (5.58%).

Allan Gray said that between October 15 and 17, 2013 it bought 1,389,309 shares for \$4,275,422 or an average price of \$3.08 a share.

In August Allan Gray reduced to just below the 5.0 percent substantial level selling 250,997 shares for an average price of \$3.348 a share. (BD: Aug 27, 2013)

As a pooled development fund, capital gains on Acrux shares are tax-free, but losses can not be offset against tax liabilities.

Acrux was up two cents or 0.6 percent to \$3.19 with 664,325 shares traded.

## ACRUX

Westpac Bank and BT Investment Management have increased their substantial shareholding in Acrux from 8,531,574 shares (5.12%) to 10,276,832 shares (6.17%).

In separate notices the Sydney-based BT and its majority owner Westpac said that the shares were held by a range of companies including Advance Asset Management, HSBC Custody nominees, Asgard Capital Management, Westpac Bank and several BT companies.

The companies bought and sold shares in small parcels between June 27 and October 17, 2103 with the majority of acquired shares including 2,205,595 shares for \$7,326,191 or an average price of \$3.32 a share.

### ACRUX

The National Australia Bank and associates have 'lent' Acrux shares, reducing their holding below substantial.

Earlier this month NAB and associates became substantial shareholders in Acrux with 8,395,506 shares or 5.042 percent of the company (BD: Oct 3, 2013).

NAB said that the registered holders of the shares included MLC Investments, Nabinvest Managed Investments, MLC Wealth and Antares Capital Partners, but did not disclose the names of the investors.

Today NAB said between October 7 and 10 it bought 226,121 shares at prices ranging from \$3.12 to \$3.22 and between October 9 and 16 sold 6,312 shares at prices between \$3.05 and \$3.16 a share.

The company said that between September 30 and October 17, 2013 it increased its 'securities lending' by 272,701 shares and decreased its securities lending by 628,618 shares at "no consideration directly referable to the securities provided by NAB".

### IDT AUSTRALIA

Last night's edition erroneously referred to IDT founder and former executive chairman Dr Graeme Blackman as continuing in that role.

Dr Blackman is a director of the company and Graeme Kaufman was appointed chairman effective from October 1 (BD: Aug 22, 2013).

The article also said that IDT raised \$2 million in a rights issue in September and a further \$3.1 million in a placement last week at 27 cents a share, but IDT chief executive officer Paul MacLeman has told Biotech Daily that the rights issue raised \$2,883,508 with all shortfall shares placed with underwriter Wilson HTM (BD: Sep 27, Oct 17, 2013).

The mistake was made by a panic-struck sub-editor who was dealing with third-party website issues and has been seconded to an investigator-led, open-label, single-patient combination trial of diazepam and chamomile tea.

IDT was unchanged at 37.5 cents.

### IDT AUSTRALIA

I'Rom has increased its holding from 10,000,000 shares to 12,460,000 shares but has been diluted from 18.80 percent to 16.49 percent.

The Tokyo, Japan-based company said it was diluted by the recent \$3.1 million placement and rights issue at 27 cents a share (BD: Sep 27, Oct 17, 2013).

### INVION

Invion has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose 47.4 percent from 7.8 cents on October 14 to 11.5 cents today, October 22, 2013 and noted an increase in trading volume.

Invion closed up 1.3 cents or 14.1 percent to 10.5 cents with 2.3 million shares traded.

### VIRAX HOLDINGS

Virax says that Sean Henbury has been appointed company secretary replacing Simon Penny, effective immediately.

Virax was untraded at nine cents.

## PHARMAUST, EPICHEM

Pharmaust's wholly-owned subsidiary Epichem says tomorrow marks 10 years of supplying pharmaceutical reference standards and drug discovery services.

The contract research organization said it had established itself as "a world-class provider of synthetic and medicinal chemistry services and pharmaceutical reference standards" supplying customers in 28 countries and gaining "a reputation for quality, technical expertise and innovation, solving difficult problems and creating valuable intellectual property for its clients, collaborators and shareholders".

Epichem founder and managing director Dr Wayne Best said the company "thrived in the highly competitive global marketplace because we have delivered results for our clients". "Technical excellence and customer focus has been essential to our success - traits our clients value most highly," Dr Best said.

Epichem said it had a history of helping pharmaceutical companies identify trace impurities and produced a range of pharmaceutical reference standards to aid the industry in detecting and measuring these impurities, ultimately assisting in the quality assurance and control of its clients' medicines.

The company said that it had won three Western Australian Export Awards in 2010, 2011 and 2012 in the small business and small to medium services categories and was awarded the Australian Export Award in the small business category in 2010.

Pharmaust was unchanged at one cent with 1.3 million shares traded.

## AUSBIOTECH

Ausbiotech says it expects more than 300 investors at its Invest Conference in Melbourne, next week, October 28 and 29, 2013.

Ausbiotech said that the investment conference would feature 40 speakers, 35 companies and more than 300 investors and cover themes including the sustainability of the local biotechnology sector, the resurgence of capital flowing into the sector, local success stories, the rising power of Asia and the global state of the biotech industry.

The conference will be held at the Melbourne Convention and Exhibition Centre.

For more information go to: [www.ausbiotechinvest.com](http://www.ausbiotechinvest.com).

Ausbiotech said its main industry conference would be held in Brisbane from October 30 to November 1, 2013 and focus on the "bio-economy in transition".

Ausbiotech said that the conference was expecting about 1,200 delegates for the plenary speaker sessions, professional development courses and the business matching program.

The industry organization said that topics to be addressed included changing international laws and regulations on a global scale including patent law; the influence of social and digital media in developing biotechnology; the global economic landscape; techniques to successfully source capital and fund good ideas; and Government policy that supported the development of the bio-economy.

Ausbiotech said that the program was available at: <http://ausbiotechnc.org/program>.