



Biotech Daily

Tuesday December 10, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX EVEN, BIOTECH DOWN: PHARMAXIS UP 14%, ANTISENSE DOWN 6%**
- * **SCOTLAND APPROVES PHARMAXIS BRONCHITOL**
- * **MEDICAL AUSTRALIA RAISES \$4m FOR MEDIVET ACQUISITION**
- * **HEALTHLINX DOCA, 13.8b SHARE, 500-TO-1 CONSOLIDATION AGM**
- * **STARPHARMA LOSES CO SEC BEN ROGERS, NIGEL BAADE APPOINTED**

MARKET REPORT

The Australian stock market slipped 0.02 percent on Tuesday December 10, 2013 with the S&P ASX 200 down 0.8 points to 5,143.6 points.

Thirteen of the Biotech Daily Top 40 stocks were up, 15 fell, seven traded unchanged and five were untraded.

Pharmaxis was the best, up 1.5 cents or 13.6 percent to 12.5 cents with 5.6 million shares traded, followed by Phylogica up 12.5 percent to 1.8 cents with 661,111 shares traded and Prana up 10.4 percent to 69 cents with 1.6 million shares traded.

Living Cell and Reva climbed five percent or more; Patrys was up four percent; Admedus and Mesoblast were up more than three percent; Bionomics and Circadian rose more than two percent; Benitec and Impedimed were up one percent or more; with CSL, Medical Developments and Resmed up by less than one percent.

Antisense led the falls, down one cent or 5.9 percent to 16 cents with 122,550 shares traded, followed by Osprey down 5.4 percent to 70 cents with 572, 551 shares traded.

Neuren, Phosphagenics and QRX fell more than four percent; IDT and Sirtex were down more than three percent; Atcor, Clinuvel, GI Dynamics and Nanosonics shed more than two percent; Cochlear, Starpharma and Viralytics were down more than one percent; with Acrux and Alchemia down by less than one percent.

PHARMAXIS

Pharmaxis says that the Scottish Medicines Consortium has accepted Bronchitol for adult cystic fibrosis by the National Health Service in Scotland.

Pharmaxis said that Bronchitol, or mannitol dry powder for inhalation, was licenced for the treatment of adult cystic fibrosis patients aged 18 years and above as an additional therapy to best standard of care.

The company said that Bronchitol was the first non-antibiotic therapy to be accepted by the Scottish Medicines Consortium for cystic fibrosis.

Pharmaxis said that Bronchitol was accepted for use as an add-on to best standard of care for adults not using dornase alfa due to lack of response, intolerance or ineligibility and who had a rapidly declining lung function and in whom other osmotic agents were considered unsuitable.

The company said that more than 800 people in Scotland, including 450 adults had cystic fibrosis, "one of the most common life-threatening inherited diseases".

Pharmaxis chief executive officer Gary Phillips said the company was "very pleased with this decision from [the Scottish Medicines Consortium] as we firmly believe that Bronchitol is an important addition to cystic fibrosis care and will help to relieve the burden of treatment for adults with this debilitating condition"

The company said the Scottish decision followed a positive recommendation from the UK National Institute for Health and Care Excellence in November 2012 and meant there was consistency throughout the UK on access to Bronchitol.

Pharmaxis was up 1.5 cents or 13.6 percent to 12.5 cents with 5.6 million shares traded.

MEDICAL AUSTRALIA

Medical Australia says it has raised \$4 million through a placement at 20 cents a share to acquire animal stem cell therapy and regenerative medicine company Medivet Pty Ltd.

Medical Australia said that the placement was to two strategic investors Windfall (NZ) Trust and Walker Group Holdings, which had subscribed for 10,000,000 shares each.

The company said that Walker Group was owned by Lang Walker who held two percent of its shares through an associated entity.

Medical Australia said that the Medivet acquisition was "a company-transforming transaction".

The company said that 36,666,667 shares had been issued to the Medivet vendors and it held a 60.5 percent shareholding in Medivet America LLC and 100 percent of Medivet Pty Ltd which encompassed Canada, the US, Great Britain, Europe, the Middle East, Australia and the Asia Pacific Region.

Medical Australia managing director Mark Donnison said the Medivet animal stem cell technology was available in more than 20 countries.

"Our first priority will be to strengthen our presence in these existing markets and achieve greater critical mass, whilst pursuing new markets and new product opportunities," Mr Donnison said.

"In particular there is scope for significant growth in the United States, where there are over 27,000 veterinary clinics," Mr Donnison said.

Medical Australia said that Medivet was "not a simple acquisition, it is a major additional focus for the new entity that should change investors overall view of the company".

The company said that a cost reduction program had begun with a number of overheads identified and consolidation of some back office roles and functions completed.

Medical Australia was up three cents or 16.7 percent to 21 cents.

HEALTHLINX

Healthlinx shareholders will vote on a series of stock issues relating to its deed of company arrangement (BD: May 7, Oct 4, 2013).

Healthlinx said the resolutions included the issue of 3,367,401,500 shares to Gleneagle Securities Nominees and the acquisition of up to 31.99 percent of the company's shares. The notice of meeting said that shareholders would vote on the issue of 6,050,000,000 to the deed of company arrangement sponsors, Queensland MM, Cope St, Chifley Portfolios, LSAF Holdings, Darontack, Kastin, Vincent Savage, Inverness Capital and Lampam; and the acquisition of up to 57.47 percent of the company's shares.

Other resolutions relate to the issue of shares to entities related to directors including 1,253,350,000 to Cope St which was associated with Mr Telford; 583,350,000 shares to Darontack related to Mr Revelins; and 350,000,000 shares to Kastin associated with Mr Quinert.

The notice said shareholders would be asked to vote on the issue of 40,000,000 shares to each of Austin 4, Jack Burston, HSBC Custody Nominees and 20,000,000 shares to Exit Out Pty Ltd; along with 360,000,000 shares to each of Austin 4, Mr Burston, HSBC Custody and 180,000,000 shares to Exit Out.

The meeting will also vote on the issue of 833,333,333 shares to Eye On 2 Pty Ltd relating to a convertible note.

Shareholders will also be asked to vote on a 10 percent placement capacity and a 500-for-one consolidation.

Healthlinx said shareholders would also vote on the remuneration report and the election of directors Trent Telford, Richard Revelins and Michael Quinert.

The meeting will be held at the Gardenia Room, Adina Apartment Hotel, 189 Queen Street, Melbourne on January 21, 2014 at 10.30am (AEDT).

Healthlinx was suspended at 0.1 cents.

STARPHARMA HOLDINGS

Starpharma says that Ben Rogers will retire as company secretary, effective from December 13, 2013.

Starpharma was founded in 1996 and Mr Rogers joined the company in 1997.

Starpharma said that Mr Rogers had made "a significant contribution to Starpharma over many years and has supported the advancement of the business during that time".

The company said that Mr Rogers would be replaced by chief financial officer Nigel Baade who had been with Starpharma for more than seven years and the two had worked closely.

Starpharma fell 1.5 cents or 1.9 percent to 78 cents.