



Biotech Daily

Friday January 24, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: REVA UP 6%, PHARMAXIS DOWN 7%**
- * **RESMED RECORD H1 REVENUE, PROFIT**
- * **COCHLEAR TO APPEAL '\$151m' US JURY PATENT TRIAL VERDICT**
- * **PLAINTIFF WITHDRAWS FROM UNILIFE US LAWSUIT**
- * **STARPHARMA PLEADS SCHULTZ TO ASX 16% FALL QUERY**
- * **PHYLOGICA APPOINTS INVESTOR DR BERNARD HOCKINGS DIRECTOR**

MARKET REPORT

The Australian stock market fell 0.42 percent on Friday January 24, 2014 with the S&P ASX 200 down 22.1 points to 5,240.9 points.

Nine of the Biotech Daily Top 40 stocks were up, 20 fell, eight traded unchanged and three were untraded.

Reva was the best, up 2.5 cents or six percent to 44 cents, with 14,450 shares traded.

Prima and Starpharma climbed more than four percent; Prana and Viralytics were up more than three percent; CSL and Universal Biosensors rose more than one percent; with Bionomics, Mesoblast and Sirtex up by less than one percent.

Pharmaxis led the falls, down one cent or 7.1 percent to 13 cents with 925,462 shares traded.

Atcor and Circadian lost more than six percent; Alchemia, Genetic Technologies, Living Cell and Resmed fell more than four percent; Antisense, Cellmid, Cochlear, GI Dynamics and Oncosil were down more than three percent; Anteo, Benitec, IDT, Impedimed and QRX shed more than two percent; Clinuvel, Medical Developments, Nanosonics and Psivida were down more than one percent; with Acrux down by 0.8 percent.

RESMED

Resmed has posted record revenue for the six months to December 31, 2013 of \$US742.0 million (\$A847.3 million) up 3.6 percent and net profit after tax up 12.5 percent to \$US167.6 million.

Resmed said diluted earnings per share was \$US1.15, a 12.75 percent increase over the six months ended December 31, 2012.

The company said revenue for the three months to December 31, 2013 was up 2.1 percent to \$US384.3 million compared to the quarter to December 31, 2012, with net profit after tax up 11.2 percent to \$US86.6 million.

Resmed said research and development expenditure for the half year was \$US56.9 million, or 7.7 percent of revenue, compared to the previous corresponding period expenditure of \$US57.5 million or 8.1 percent of revenue.

Resmed fell 26 cents or 4.9 percent to \$5.00 with 34.4 million shares traded.

COCHLEAR

Cochlear says it will appeal a US jury verdict that it infringed patents in a lawsuit brought by the Alfred E Mann Foundation for Scientific Research and Advanced Bionics LLC.

Cochlear said that a jury in the US District Court in Los Angeles, California "found direct, contributory and wilful, but not induced infringement" against it and subsidiary Cochlear Americas, awarding damages of \$US131.2 million (\$A150.7 million) against it.

The company said that no judgment had been entered based on the verdict as issues remained to be decided by the Judge and the Judge's decisions might negate some of the findings of the jury and could alter the damages awarded by the jury.

Cochlear said the facts and the law did not support the jury's findings and it would seek to overturn the verdict in post-trial motions to the Court and, if necessary, through the appeals process.

The company said the verdict related to two US patents on testing systems and methods for a cochlear implant exclusively licenced by Alfred E Mann Foundation to Advanced Bionics, a competitor to Cochlear.

Cochlear said that one patent expired in September 2009 and the other would expire in March 2014 and the verdict and any following judgment against Cochlear would not disrupt its business or customers in the US and so far it had not accrued any liability in its financial statements and had not determined the impact, if any, on its financial statements.

Cochlear chief executive officer Dr Chris Roberts said the company "strongly disagree with the jury verdict and will appeal any judgment entered against Cochlear by the Court".

Cochlear fell \$2.25 or 3.7 percent to \$57.85 with 395,802 shares traded.

UNILIFE CORP

Unilife says that a recent shareholder class action lawsuit against the company and certain corporate officers has been voluntarily dismissed by the plaintiff.

Unilife said the claims were lodged in the US District Court for the Middle District of Pennsylvania alleging violations of Federal securities laws (BD: Nov 7, 2013)

The company said that the notice of voluntary dismissal was filed by the plaintiff after no additional shareholders of the company petitioned the court to serve as lead plaintiff in the lawsuit before the December 31, 2013 deadline.

Unilife said that the class action lawsuit "was always considered to be frivolous and based mainly on the meritless allegations made by a former employee of the company".

Unilife was up 2.5 cents or 2.7 percent to 96 cents.

STARPHARMA

Starpharma 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 fell from 82 cents on January 17, to 69 cents on January 23, 2014, a 15.85 percent fall, but did not note an increase in trading volume.

Starpharma said that it had no explanation for the price fall and "in fact today [January 23] the company received approval to proceed with the commencement of its dendrimer-docetaxel phase I clinical trial" (BD: Jan 23, 2014).

Starpharma climbed as high at \$1.88 on April 30, 2012, from a low of 16 cents on February 16, 2009.

Starpharma was up three cents or 4.4 percent to 70.5 cents.

PHYLOGICA

Phylogica says that Perth cardiologist and 22.49 percent substantial shareholder Dr Bernard Hockings has been appointed a director.

Phylogica said that Dr Hockings became a substantial shareholder in August 2012, increasing his shareholding to 22.49 percent through participation in the 2012 converting note and underwriting the December 2013 rights issue.

Dr Hockings works at Mount Medical Centre in Perth.

Phylogica was up 0.1 cents or 4.8 percent to 2.2 cents with 3.3 million shares traded.