



Biotech Daily

Tuesday February 11, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH EVEN: BENITEC UP 9%, OPTISCAN DOWN 18%**
- * **BURNET'S PROF SHARON LEWIN TO HEAD DOHERTY INSTITUTE**
- * **WEHI LINKS GENE SPLICING AND DEVELOPMENTAL DISEASES**
- * **MELBOURNE GENOMICS HEALTH ALLIANCE LAUNCHED**
- * **NHS SCOTLAND REIMBURSES PSIVIDA'S ILUVIEN FOR DME**
- * **BLUECHIP SIGNS BIOSPENSA AS MALAYSIA DISTRIBUTOR**
- * **COCHLEAR H1 REVENUE, UNIT SALES, PROFIT DOWN**
- * **BIOTA H1 REVENUE UP 161% TO \$34m, LOSS UP 54% TO \$4.5m**
- * **UNILIFE H1 REVENUE UP 386% TO \$7.5m, LOSS UP 1.4% TO \$31m**
- * **YZJ TRADING TAKES 25% OF MEDICAL AUSTRALIA**
- * **REVA APPOINTS DAVID EISLER GENERAL COUNSEL V-P**
- * **SANTO COSTA TO REPLACE ALCHEMIA CHAIRMAN NATHAN DRONA**
- * **ALISON COUTTS REPLACES NUSEP'S PRAKASH PATEL, CO SEC CHANGE**

MARKET REPORT

The Australian stock market was up 0.62 percent on Tuesday February 11, 2014 with the S&P ASX 200 up 32.4 points to 5,254.5 points. Twelve of the Biotech Daily Top 40 stocks were up, 12 fell, 11 traded unchanged and five were untraded.

Benitec was the best, up eight cents or 9.4 percent to 93 cents with 691,403 shares traded. Avita climbed 8.3 percent; Tissue Therapies was up 7.25 percent; Oncosil was up four percent; Antisense was up 3.85 percent; Patrys, Prana, Resmed and Uscom rose more than two percent; with Ellex and GI Dynamics up more than one percent.

Optiscan led the falls, down 0.9 cents or 18 percent to 4.1 cents, with 112,969 shares traded. Cochlear lost 8.85 percent; Admedus and Bionomics fell more than five percent; Acrux, Starpharma and Viralytics fell more than four percent; Atcor was down 3.6 percent; Cellmid, Neuren, Prima and QRX shed two percent or more; with Nanosonics down 1.2 percent.

THE PETER DOHERTY INSTITUTE FOR INFECTION AND IMMUNITY

The University of Melbourne says that Prof Sharon Lewin has been appointed the inaugural director of the Peter Doherty Institute for Infection and Immunity.

The University of Melbourne said that the Peter Doherty Institute was a partnership between the University of Melbourne and Melbourne Health (the Royal Melbourne Hospital), was funded by the Commonwealth Government Education Investment Fund and the Victorian Government and was expected to open in July 2014.

The University said that the Institute was named after the Prof Doherty who won the Nobel Prize for Physiology or Medicine in 1996 with Swiss colleague Prof Rolf Zinkernagel for discovering how the immune system recognized virus-infected cells.

The University said that Prof Doherty was also the patron of the Institute.

A media release from the University said that Prof Lewin was “an internationally renowned researcher in HIV/AIDS” and was the head of the Alfred Health and Monash University Department of Infectious Diseases and co-head of the Burnet Institute’s Centre for Biomedical Research.

The media release said that Prof Lewin was the co-chair of the International AIDS Conference and AIDS 2014 would be held in Melbourne in July this year.

The University said that Prof Lewin would take up her post in September 2014.

The University of Melbourne’s dean of the Faculty of Medicine Prof Stephen Smith said that Prof Lewin would bring “extensive research, clinical, and teaching experience to this role”.

“She will work together with all our partners to establish the Peter Doherty Institute as one of the leading centres for research into infectious diseases and immunity in the world,” Prof Smith said.

“Prof Lewin will take the Doherty to the forefront of technical advances in infectious diseases by bringing cutting-edge research directly to patient care thus leading to the best possible outcomes for patients,” Prof Smith said.

University of Melbourne research deputy vice-chancellor Prof James McCluskey said the Doherty Institute would “provide the most effective treatments in infectious disease immunity and will conduct world-leading research”.

“It will deliver breakthroughs in cutting-edge advances and treatments and to the people of Victoria and beyond,” Prof McCluskey said

“One of the key aspects of the Institute will be the patient participation in clinical trials,” Prof McCluskey said.

“Prof Lewin is dedicated to understanding infectious diseases and the immune system,” Prof Doherty said.

“She is a world leader on conditions such as HIV and hepatitis B and her vision will make a difference to the conquest of disease,” Prof Doherty said.

Melbourne Health chief executive Dr Gareth Goodier said the Peter Doherty Institute was “another strength in the acclaimed Parkville Precinct”.

“The partnership between Melbourne Health and the University of Melbourne at the Doherty is a superb example of how we are all working together to bring medical research and innovation to our communities,” Dr Goodier said.

Victoria’s Minister for Health David Davis congratulated Prof Lewin on her appointment as director of the Doherty Institute.

“Prof Lewin has made a significant contribution to people living with HIV through her leadership in research and many other health roles,” Mr Davis said.

“The International AIDS conference is a biennial event and is the largest health and development conference in the world,” Mr Davis said.

THE WALTER AND ELIZA HALL INSTITUTE FOR MEDICAL RESEARCH

The Walter and Eliza Hall Institute says its researchers have linked the natural cellular process, minor class splicing, to a severe developmental disease.

The Institute said that using zebrafish to study development, Prof Joan Heath and Dr Sebastian Markmiller (now at the University of California, San Diego) discovered that the protein Rnpc3 was critical for the growth of many organs, regulating protein production through minor class messenger RNA splicing.

The Institute said that messenger RNA was required to convert the genetic information encoded in DNA into proteins and RNA splicing was a cut-and-paste process that cut unwanted sequences, called introns, from messenger RNA and pasted the remaining pieces together.

Without splicing, proteins could not be made correctly from genes, WEHI said.

The Institute said that Prof Heath and Dr Markmiller showed that Rnpc3 was required for the rapid growth of organs, including the intestine, liver, pancreas and eye, during zebrafish development.

Prof Heath said the finding was important because it helped explain how defects in minor class splicing caused the severe human developmental disorder Taybi-Linder syndrome.

The article, entitled 'Minor class splicing shapes the zebrafish transcriptome during development' was published in the Proceedings of the National Academy of Sciences.

An abstract is at <http://www.pnas.org/content/early/2014/02/06/1305536111.abstract>.

"Altogether there are about 200,000 introns in the genome and most of these are removed by a process known as major class splicing," Prof Heath said. "Minor class splicing is much rarer and is used to remove only a few hundred introns."

"We have discovered that minor class splicing is critical for the proper expression of genes that are themselves important for regulating gene expression," Prof Heath said.

"This means that defects in minor class splicing can have widespread effects on which genes are switched on," she said.

"This is particularly crucial during development when rapid changes in gene expression and protein production are required," Prof Heath said.

"In the long-run, we anticipate that our research will show that minor class splicing contributes to other diseases that are currently not fully understood," she said.

"This could provide the impetus to screen patients with unexplained developmental disorders for mutations minor class splicing genes," Prof Heath said.

MELBOURNE GENOMICS HEALTH ALLIANCE

The Melbourne Genomics Health Alliance was launched at Melbourne's Royal Children's Hospital today to integrate genomic information into everyday healthcare.

A media release from the Hospital said that the Alliance combined seven Parkville Precinct organizations, the Royal Children's Hospital, the Royal Melbourne Hospital, the University of Melbourne, Walter and Eliza Hall Institute, the Commonwealth Scientific and Industrial Research Organisation, the Murdoch Children's Research Institute and the Australian Genome Research Facility.

The media release said that by sequencing the DNA in our genome, it was possible to identify variations responsible for causing disease.

Royal Melbourne Hospital chief executive officer and head of the Alliance chief executive officers group Dr Gareth Goodier said that with further research "we hope to support more accurate diagnosis and prognosis, identify patients at greater risk of disease or complications, and select and prioritize therapy in the prevention and control of infection outbreaks".

PSIVIDA

Psivida says that the Scottish Medicines Consortium has accepted its Iluvien for use within the National Health Service Scotland under a patient access scheme.

Psivida said that Iluvien would be available in the NHS Scotland to treat vision impairment associated with chronic diabetic macular oedema considered insufficiently responsive to available therapies in pseudophakic eyes, that is, those who have had cataract surgery. The company said that re-treatment with Iluvien, which provided a therapeutic benefit for up to 36 months, would be covered when the patient had previously responded to Iluvien and vision had deteriorated.

Psivida chief executive officer Dr Paul Ashton said that acceptance of Iluvien for diabetic macular oedema by the NHS Scotland was "excellent news" following the November 2013 recommendation of Iluvien by the UK National Institute for Health and Care Excellence. Psivida was untraded at \$5.30.

BLUECHIIP

Bluechiip says it has an exclusive distribution agreement with Biospensa Resources to sell its product range to the Malaysian bio-banking and bio-repository market.

Bluechiip said it was its first move into the Asian bio-banking market which was forecast to grow at 28 percent a year.

Bluechiip acting chief executive officer Jason Chaffey said that Biospensa was "an excellent commercial partner" for Bluechiip's bio-banking and specimen management products.

Bluechiip was up one cent or 16.7 percent to seven cents.

COCHLEAR

Cochlear says that in the six months to December 31, 2013 revenue fell 5.3 percent to \$371.1 million and net profit after tax fell 73 percent to \$21.0 million.

In a media release, Cochlear said that implant unit sales fell 14 percent to 11,712 implants with total implant sales revenue of \$331.1 million, which was "flat on the prior year and down 10 percent in constant currency".

Cochlear said that excluding the provision of \$15.8 million for a patent dispute, net profit after tax would have been down 52.6 percent to \$36.8 million (BD: Jan 24, 2014).

A year ago Cochlear posted record revenue up one percent to \$391.7 million for the six months to December 31, 2012, with a return to net profit after tax of \$77.7 million, following the Nucleus 5 recall (BD: Feb 5, 2013).

Today, Cochlear said that diluted earnings per share fell 72.9 percent from 136.1 cents to 36.9 cents with net tangible assets per share down 57 percent to 128.9 cents at December 31, 2013.

The company said an interim dividend of \$1.27 a share would be paid on March 27, 2014, up 1.6 percent on the previous corresponding period for a record date of March 6, 2014.

Cochlear said research and development expenditure was up 8.6 percent to \$65,057,000 or 17.5 percent of total revenue.

Cochlear said that sales in the Americas were flat at \$150.5 million, with Asia Pacific sales down 25 percent to \$57.9 million and sales in Europe, Middle East and Africa were up 21 percent to \$169.1 million.

Cochlear said that net debt was \$166.3 million with cash and cash equivalents at December 31, 2013 of \$59,992,000 compared to \$52,689,000 at June 30, 2013.

Cochlear fell \$5.21 or 8.85 percent to \$53.68 with 944,999 shares traded.

BIOTA PHARMACEUTICALS

Biota says that revenue for the six months to December 31, 2013, was up 161.0 percent to \$US30.8 million (\$A34.4 million) with net loss after tax up 53.8 percent to \$US4 million. The company said that diluted loss per share was up 55.5 percent to 14 US cents. The company said that it had cash and cash equivalents of \$US51.4 million at December 31, 2013 compared to \$US74.1 million at December 31, 2012. Last night on the Nasdaq, Biota was up 10 US cents or 1.89 percent to \$US5.38 (\$A6.01, equivalent to 75.1 cents per pre-merger ASX share) with 146,745 shares traded.

UNILIFE

Unilife says that revenue for the six months to December 31, 2013, was up 386.0 percent to \$US6,760,000 (\$A7,508,750) with net loss after tax up 1.4 percent to \$US27,527,000. The company said that the revenue increase “was primarily attributable to additional revenue related to developmental activities for various customers”. Unilife said that net tangible assets per Chess depositary interests (CDIs) fell 40 percent from five cents on December 31, 2012 to three cents on December 31, 2013 and diluted loss per share fell 17.1 percent to 29 US cents. The company said that it had cash and cash equivalents of \$US4,314,000 at December 31, 2013 compared to \$US5,736,000 at December 31, 2012. Unilife fell one cent or 1.3 percent to 75 cents.

MEDICAL AUSTRALIA

The Sydney-based YZJ Trading says it has become a substantial shareholder in Medical Australia with the acquisition of 25,680,636 shares (25.16%). The substantial shareholder notice signed by director Shaneel Khan of Blacktown, Sydney, said that the shares were acquired in relation to the Medivet acquisition for \$7,704,190 or 30 cents a share (BD: Dec 10, 2013). Medical Australia fell half a cent or 1.25 percent to 39.5 cents.

ALCHEMIA

Alchemia says it has appointed Santo Costa as non-executive chairman replacing Nathan Drona, effective from March 1, 2014. Alchemia said that Mr Drona would continue as a director. The company said that Mr Costa had “extensive international experience ... in senior leadership roles across the life sciences industry” including as Quintiles Transnational Corp’s president and chief operating officer as well as Glaxo Inc’s senior vice president, administration and general counsel. Alchemia said that Mr Costa was responsible for all of Quintiles operating divisions, including business development. The company said that Mr Costa was currently with the Raleigh, North Carolina-based law firm Smith, Anderson, Blount, Dorsett, Mitchell and Jernigan and was an adjunct professor in the clinical research program at the Campbell University School of Pharmacy. Alchemia said that Mr Costa held a Bachelor of Science in Pharmacy and Doctor of Jurisprudence from New York’s St John’s University and was a member of the North Carolina Bar, the New York Bar and the Ohio Bar. Alchemia was up half a cent or 0.9 percent to 58.5 cents.

REVA MEDICAL

Reva says that David Eisler has been appointed general counsel vice-president overseeing corporate and operational legal matters.

Reva said that Mr Eisler had more than 10 years experience providing legal guidance to public companies and clients across an array of industries.

The company said that Mr Eisler worked for law firm DLA Piper LLP for eight years, where he represented and counselled clients in US Securities and Exchange Commission compliance, equity offerings, mergers and acquisitions and general corporate matters, including representing Reva during its \$85 million initial public offering on the ASX and the corresponding registration with the US SEC.

Reva was unchanged at 42 cents.

[NUSEP](#)

Nusep says that chairman Alison Coutts has been appointed interim chief executive officer replacing Prakash Patel effective from February 10, 2014.

Nusep said that it would seek to fill the role permanently and Mr Patel remained a director.

The company said that Boardroom Pty Ltd's Elissa Hansen would replace director Dr Stephen van der Mye as company secretary and Dr van der Mye would also continue as a director.

Nusep said it had renegotiated the interest rate on loans from Ti Rakau Developments and Chang Seow Ying Alison from 20 percent per annum to 14 percent per annum.

Nusep was untraded at eight cents.