



Biotech Daily

Thursday February 27, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PRANA UP 18%, TISSUE THERAPIES DOWN 24%**
- * **ELLEX H1 REVENUE UP 18% TO \$26m, PROFIT UP 171% TO \$391k**
- * **ADMEDUS H1 REVENUE UP 9% to \$4m, LOSS DOWN 33% TO \$1.5m**
- * **CELLMID H1 REVENUE UP 492% to \$1.5m, \$242k MAIDEN PROFIT**
- * **SUDA H1 REVENUE UP 198% to \$6m, LOSS DOWN 66% TO \$332k**
- * **CRYOSITE H1 REVENUE UP 2.1% TO \$4.6m, PROFIT DOWN 41% TO \$331k**
- * **PROBIOTEC H1 REVENUE DOWN 5% TO \$32m, PROFIT UP 227% TO \$1m**
- * **RESONANCE PLEADS SCHULTZ TO ASX 40% QUERY**
- * **AUSTRALIA, US PATENTS FOR BPH, DIAGNOSTIC ARRAY'S BACTRAK**
- * **USCOM APPOINTS MEDCAT NETHERLANDS DISTRIBUTOR**
- * **HUNTER HALL TAKES PROFIT, REDUCES TO 17% OF SIRTEX**
- * **LAWRENCE GOZLAN ONCOSIL DIRECTOR, PETER CASEY CO SEC**

MARKET REPORT

The Australian stock market fell 0.47 percent on Thursday February 27, 2014 with the S&P ASX 200 down 25.6 points to 5,411.4 points. Ten Biotech Daily Top 40 stocks were up, 24 fell, seven traded unchanged and six were untraded. All three Big Caps fell.

Prana was the best, up 18.5 cents or 17.8 percent to \$1.225 with 3.3 million shares traded, followed by Medical Developments up 11.6 percent to \$1.25 with 36,245 shares traded. Antisense climbed 6.7 percent; Universal Biosensors was up 5.4 percent; Avita was up 4.2 percent; Atcor and Viralytics were up more than three percent; Patrys rose 2.6 percent; with Reva up 1.5 percent.

Tissue Therapies led the falls, down nine cents or 24.3 percent to 28 cents with 4.1 million shares traded, followed by Optiscan down 14.3 percent to six cents with 70,000 shares traded. Oncosil lost 7.1 percent; Genetic Technologies was down 6.15 percent; Admedus and Anteo fell more than five percent; Bionomics and Nanosonics were down more than four percent; Mesoblast and Resmed lost more than three percent; Cellmid, Impedimed, Prima and QRX shed more than two percent; with Cochlear, GI Dynamics, Neuren and Sirtex down by more than one percent.

ELLEX MEDICAL LASERS

Ellex says revenue for the six months to December 31, 2013, was up 18 percent to \$25,883,000 with net profit after tax up 171 percent to \$391,000.

Ellex said that the increase in revenue “was primarily attributable to growth in sales in the US following the introduction in July 2013 of ... [the] Selective Laser Trabeculoplasty range of ophthalmic lasers for the treatment of glaucoma”.

The company said that US sales were more than double the sales in the prior period, with improvements in sales also recorded in Asian and South American markets, mitigated by falls in sales in Europe and the devaluation of the Japanese Yen lowering revenues.

Ellex chief executive officer Tom Spurling said that the “impact our SLT lasers have had in the US market has been very pleasing”.

“An independent market assessment by Market Scope LLC now places Ellex as the leading supplier of SLT lasers in the world,” Mr Spurling said.

The company said that net tangible assets per share was up 5.3 percent to 20 cents and diluted earnings per share was up 975 percent to 0.43 cents at December 31, 2013 compared to 0.04 cents for the previous period.

Ellex said that cash and cash equivalents at December 31, 2013 was \$2,957,000 compared to \$786,000 at June 30, 2013.

Ellex was unchanged at 40 cents.

ADMEDUS

Admedus says that revenue for the six months to December 31, 2013, was up 9.3 percent to \$4,101,000 reducing net loss after tax 33.1 percent to \$1,486,578.

Admedus said that during the period it acquired Admedus Biomanufacturing, formerly Verigen Australia, which held a lease over Perth, Western Australia, a manufacturing site providing a \$2.7 million gain on the acquisition, with the laboratories and clean rooms to be used for the scale-up of its Cardiocel cardiac tissue scaffold to supply global markets.

Admedus said that diluted loss per share fell 72.6 percent from 0.252 cents in the previous year to 0.069 cents for the six months to December 31, 2013.

The company said it had cash and cash equivalents of \$9,305,090 at December 31, 2013, compared to \$2,445,423 at June 30, 2013.

Admedus said that net tangible assets per share was up 69.1 percent to 1.37 cents at December 31, 2013 compared to 0.81 cents at December 31, 2012.

Admedus fell one cent or 5.7 percent to 16.5 cents with 16.7 million shares traded.

CELLMID

Cellmid says that revenue for the six months to December 31, 2013, was up 492 percent to \$1,529,074 turning the previous loss to a \$242,029 maiden net profit after tax.

Cellmid said that it received non-recurring royalties of \$1,009,188 for two midkine licences from Fujikura Kasei Co and Pacific Edge Biotechnology in a mix of cash and shares and in October, 2013 gained \$429,519 through the sale of Pacific Edge shares.

Cellmid said that diluted earnings per share for the six months to December 31, 2013 was 0.04 cents compared to a loss of 0.09 cents in the previous corresponding period.

The company said it had cash and cash equivalents of \$4,068,147 at December 31, 2013, compared to \$1,754,994 at June 30, 2013.

Cellmid said that net tangible assets per share was up 52.1 percent to 0.73 cents at December 31, 2013 compared to 0.48 cents at December 31, 2012.

Cellmid fell 0.1 cents or 2.9 percent to 3.3 cents with 22.6 million shares traded.

SUDA

Suda says that revenue for the six months to December 31, 2013, was up 197.7 percent to \$6,242,000 reducing net loss after tax 65.6 percent to \$332,000.

Suda said that most of the revenue related to subsidiary Westcoast Surgical and Medical Supplies which became the preferred supplier for a Federal Government-funded body for the supply of pharmaceuticals, consumables and vaccines (BD: Aug 15, Oct 18, 2013).

Suda said that diluted loss per share fell 75 percent to 0.04 cents for the six months to December 31, 2013, with that net tangible assets per share 1.33 cents.

The company said it had cash and cash equivalents of \$5,526,871 at December 31, 2013, compared to \$752,619 at June 30, 2013.

Suda was unchanged at 6.3 cents.

CRYOSITE

Cryosite says revenue for the six months to December 31, 2012, was up 2.1 percent to \$4,606,000 with the net profit after tax down 40.8 percent to \$331,000.

Cryosite said that the decrease in pre-tax profit was mainly the result of higher costs associated with investments in its cord blood and biological storage facilities to improve capacity and capability, with increased additional staffing and related costs.

Cryosite said it would pay an interim unfranked dividend of 0.5 cents for the six months to December 31, 2013, the same as the previous corresponding period, and a final dividend of 1.0 cents for the year to June 30, 2013 was paid on October 23, 2013.

The company said that net tangible asset per share was up 1.6 percent from 12.5 cents at June 30, 2012 to 12.7 cents at December 31, 2013, while diluted earnings per share was down 40.7 percent from 1.18 cents to 0.70 cents.

Cryosite said that cash and cash equivalents was \$5,922,788 at December 31, 2013 compared to \$5,777,097 at June 30, 2013.

Cryosite was unchanged at 43 cents.

PROBIOTEC

Probiotec says its revenue for the six months to December 31, 2013 fell 5.4 percent to \$32,208,000 but net profit after tax was up 226.9 percent to \$998,000.

Probiotec said the half-year result "was positively influenced by a profit after tax of \$3.2 million for the sale of the Vermox and Lomotil pharmaceutical brands in October 2013 ... off-set by one-off impairment and restructuring costs of \$2.0 million".

The company said the net tangible asset backing per share was up 17.4 percent to 76.1 cents, with diluted earnings per share up 226.9 percent to 1.89 cents, compared to the previous corresponding period's 0.58 cents.

Probiotec said it held cash and cash equivalents of \$692,248 at December 31, 2013 compared to \$46,117 at December 31, 2012.

Probiotec fell five cents or 10 percent to 45 cents.

RESONANCE HEALTH

Resonance 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 39.7 percent from 5.8 cents on February 21 to 8.1 cents on February 26, 2014 and noted an increase in trading volume.

Resonance was unchanged at 7.6 cents with 10.2 million shares traded.

BPH ENERGY

BPH says that 3.7 percent investee company Diagnostic Array Systems Pty Ltd has been granted Australian and US patents for its Bactrak system.

BPH said that the patent entitled 'Method for the Detection and/or identification of a microorganism' underpinned the Bactrak system, covering a method for simultaneous detection or identification of multiple micro-organisms from a single patient sample.

The company said the patents were Diagnostic Array Systems' second and third granted patents and both had an exclusivity period until July 2026.

BPH said that the Bactrak system was an in-vitro diagnostic tool that used specific DNA sequences enabling simultaneous identification of multiple bacterial pathogens that cause respiratory illness, including pneumonia, tuberculosis and Legionnaires' disease.

The company said that DNA extracted from a sample was amplified and hybridized to bacteria specific probes, the hybridized products were then analyzed for identification.

BPH said that the sensitive and highly specific method allowed for the rapid identification of bacterial pathogens that cause respiratory illness.

The company said that efficient treatment for bacterial respiratory infections hinged on the accurate and timely diagnosis of the bacterial species, but current diagnostic methods, were slow and could impact on patient care.

BPH said that the Bactrak system had implications for the clinical management of infectious disease by rapidly identifying the specific bacteria responsible for the disease and suggesting the most effective treatment in a timely fashion.

The company said the technology had the potential to accelerate therapeutic treatment, lead to a reduction in hospitalization and help reduce the overuse of antibiotics.

BPH was up 0.1 cents or 9.1 percent to 1.2 cents.

USCOM

Uscom says it has appointed Medcat as an Uscom 1A ultrasonic cardiac output monitor distributor for the Netherlands.

Uscom said that Medcat is a part of the North East Netherlands-based Feles Medici Holdings BV group delivering neurologic and cardiovascular devices to the Netherlands and Germany.

Uscom executive chairman Rob Phillips said the appointment of Medcat was "another step in our expanding distributor network".

"Distribution and sales lead directly to revenue and are the key to our business," Mr Phillips said.

Uscom was untraded at 20 cents.

SIRTEX MEDICAL

Hunter Hall Investment Management has again reduced its substantial holding in Sirtex, from 9,938,637 shares (17.71%) to 9,332,529 shares (16.63%).

Hunter Hall bought and sold shares between October 18, 2103 and February 25, 2014 with the single largest sale 56,690 shares for \$638,812 or \$11.27 a share.

Hunter Hall has been reducing its holding in Sirtex since May 2013 (BD: May 29, Jun 28, Jul 12, Oct 21, 2013).

Hunter Hall has been a long term shareholder in Sirtex and in 2009 increased to 16,684,884 shares (29.92%) when the company was at \$2.35 a share (BD: Mar 5, 2009). Sirtex fell 20 cents or 1.3 percent to \$14.91 with 140,964 shares traded.

ONCOSIL MEDICAL

Oncosil says it has appointed Lawrence Gozlan as an independent non-executive director and Peter Casey as joint company secretary, effective from today.

Oncosil said that Mr Gozlan was “a highly experienced and successful biotechnology industry professional, with particular expertise in investment management and corporate advice in the life science sector”.

The company said that Mr Gozlan was the founder and chief investment officer of Scientia Capital, which managed investments for high net worth individuals, family offices and institutional investors.

Oncosil said was previously the institutional biotechnology analyst at Queensland Investment Corporation and before that was the senior biotechnology analyst at Foster Stockbroking and advised life sciences companies in corporate finance at Deloitte.

Mr Gozlan is a director of Prana and is also associated with Bori Liberman’s Jagen Nominees which owns 3.93 percent of Alchemia (BD: Mar 22, 2013).

Last year, Mr Gozlan was appointed a director of Ausbiotech (BD: Mar 28, 2013).

In 2009, Mr Gozlan was a director of Avexa for six months (BD: Nov 18, 2009).

Oncosil said that Mr Gozlan held a Bachelor of Science degree from the University of Melbourne.

The company said that had “significant financial expertise and experience, including extensive company secretarial knowledge ... [and] would form a key component of Oncosil’s management team”.

Oncosil said that Mr Casey previously worked for a private investment group as a senior finance executive for more than 20 years.

The company said that Mr Casey held a Bachelor of Arts degree from Macquarie University.

Oncosil said Mr Casey would work with joint company secretary Nicholas Falzon.

Oncosil fell one cent or 7.1 percent to 13 cents.