



Biotech Daily

Tuesday March 11, 2014

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH UP: MEDICAL DEVEL UP 18%, OPTISCAN DOWN 8%**
- * **COMPUMEDICS BOOKS \$2m CHINA ORDERS**
- * **STARPHARMA RECEIVES \$4.7m FEDERAL R&D TAX REFUND**
- * **BIOTRON ADDS PHASE II THAI HEP C TRIAL SITES**
- * **BRAIN LICENCES MYBRAINSOLUTIONS TO BOSCH, WELLTOK**
- * **CSIRO DILUTED BELOW 5% IN BENITEC**
- * **MESOBLAST APPOINTS JONATHAN SYMONDS STRATEGY SUPPORT**

MARKET REPORT

The Australian stock market edged up 0.04 percent on Tuesday March 11, 2014 with the S&P ASX 200 up 2.3 points to 5,413.8 points.

Fifteen of the Biotech Daily Top 40 stocks were up, 11 fell, 12 were unchanged and two were untraded.

Medical Developments was the best, up 22 cents or 17.6 percent to \$1.47 with 32,469 shares traded.

Viralytics climbed 9.2 percent; Compumedics rose 5.7 percent; Anteo, Avita and Psivida were up four percent or more; Starpharma was up 3.5 percent; IDT and Tissue Therapies rose more than two percent; Benitec, Clinuvel, Prana and QRX were up more than one percent; with GI Dynamics, Osprey and Resmed up by less than one percent.

Optiscan led the falls, down 0.5 cents or 8.3 percent to 5.5 cents with 42,501 shares traded.

Neuren lost seven percent; Bionomics, Pharmaxis, Phosphagenics and Reva fell four percent or more; Acrux and Cellmid were down more than three percent; Cochlear, Nanosonics and Sirtex were down more than one percent; with CSL and Mesoblast down by less than one percent.

COMPUMEDICS

Compumedics says it has \$2 million in orders from companies in China.

Compumedics said that its China distributor Beijing Bestmed had placed orders totaling \$1.5 million for sleep diagnostic and neurological equipment, while German subsidiary DWL Elektronische GmbH distributor Beijing Beihe Digital Medical Technology had booked an order for \$500,000 worth of trans-cranial Doppler equipment.

Compumedics chief financial officer David Lawson told Biotech Daily that the trans-cranial Doppler equipment monitored blood flow through the brain using ultrasound and was primarily used for post-stroke monitoring as a substitute for magnetic resonance imaging. Mr Lawson said that it had particular appeal in China where magnetic resonance imaging systems do not have a large footprint due to cost.

Compumedics said that sales in China for the six months to December 31, 2013 were 25 percent higher than the previous corresponding period and the increase "will be maintained in the second half of the year".

The company said that the sleep diagnostic contract was "a result of the strong relationship between Compumedics and Beijing Bestmed and follows last year's decision by Bestmed to take a three percent stake in Compumedics' equity".

Compumedics executive chairman Dr David Burton said the company had spent "many years in China with our Chinese partners, building a very targeted and selective base".

"As a result, Compumedics [is] well-positioned to capture the growth that comes from an increasing awareness in China of the impact of poor sleep and the desire to be diagnosed and treated," Dr Burton said.

"In 2012 the China Daily noted that more than 40 percent of the Chinese population suffered from some form of sleep disorder, with less than one percent of those people having been diagnosed or treated," Dr Burton said.

"More recent data claims that the cultural tendency to work hard in China and view nine hours sleep as a sign of laziness will only lead to an increasing incidence of sleep disorders in China," Dr Burton said.

Compumedics said it was focused on expanding sales into emerging markets particularly China, continuing the initial penetration of the neuro-diagnostic market, particularly the US, with its range of products, including the Neuvo long-term electroencephalogram monitoring system.

Compumedics was up 0.4 cents or 5.7 percent to 7.4 cents.

STARPHARMA

Starpharma says it has received \$4.7 million from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Starpharma said the rebate related to research and development expenditure for the year to June 30, 2013, for work on its Vivagel and docetaxel clinical programs.

Starpharma chief executive officer Dr Jackie Fairley said the Federal Government Tax Incentive allowed the company to advance development of its products.

"In the case of ... [dendrimer] docetaxel, it supports the conduct of the clinical trial in Australia with the additional benefit that Australian patients will be the first in the world to have access to Starpharma's improved version of the widely used cancer drug, docetaxel," Dr Fairley said.

Starpharma was up 2.5 cents or 3.5 percent to 73.5 cents.

BIOTRON

Biotron says it has added a second centre to its 60-patient phase II trial of BIT225 for hepatitis C in Thailand, with four more centres expected to join the trial.

Biotron said the trial began at Bangkok's Siriraj Hospital in late 2013 and following receipt of ethics approval from Khon Kaen University, its hospital has been initiated.

The company said that ethics approval had been received from additional sites in Chiang Mai and Bangkok and they were expected to initiate and then commence screening and enrolment over the next fortnight, with ethics submissions under consideration at two additional trial sites in Bangkok.

The company said that the study was a placebo-controlled, double blind study of BIT225 in patients infected with hepatitis C genotypes 1 or 3.

Biotron said the patients would receive 12 weeks of 200mg BIT225 or placebo, twice daily, in combination with pegylated interferon alfa 2b and ribavirin.

The company said that on completion of dosing with BIT225, the genotype 3 patients would remain on interferon and ribavirin for an additional 12 weeks, while the genotype 1 patients would continue for 36 weeks.

Biotron said that the trial was designed to generate safety and efficacy data on BIT225 over an extended treatment period and previous studies had shown BIT225 to be safe and well-tolerated over a 28 day dosing period, with positive efficacy data in patients infected with hepatitis C genotypes 1 and 3, as well as in HIV and hepatitis C co-infected patients.

Biotron managing director Dr Michelle Miller said the trial was making good progress and she expected it to be fully enrolled by mid-2014, with data by the end of the year.

Biotron was up two cents or 16 percent to 14.5 cents with 10.9 million shares traded.

BRAIN RESOURCE

Brain Resource says it has licenced its brain assessment and training technology to the Robert Bosch Healthcare Systems and Welltok.

Brain said that the Palo Alto, California-based Robert Bosch Healthcare and Denver Colorado-based Welltok health platform developer would incorporate its Mybrainsolutions diagnosis and training system into their products, increasing its membership reach and driving revenue growth through user-based licence fees.

Brain said that Robert Bosch Healthcare had added Mybrainsolutions to its Health Buddy Web product to "help improve outcomes for patients with chronic conditions like congestive heart failure, chronic obstructive pulmonary disease and diabetes as well as combat the depression and negative impact people often experience as a result of their illnesses and limited mobility".

Brain said it would supply its training games, exercises and interactive videos to help optimize positive moods, enhance memory, improve concentration, manage stress and improve overall health and wellbeing of people using Health Buddy Web.

Bosch Healthcare president Micha Kirchhoff said that "for healthcare providers and payers, Health Buddy Web was designed to improve the health of patients with chronic conditions while reducing the rates of avoidable hospitalizations and readmissions".

Brain said that Mybrainsolutions was the first mental health resource to be made available through Welltok's Caféwell Connect program.

Welltok head of corporate development Maneesh Goyal said that "optimizing an individual's health includes both physical and mental status".

"By adding Brain Resource to our Caféwell ecosystem, we can offer a more holistic solution for population health managers," Mr Goyal said.

Brain was untraded at 23 cents.

[BENITEC, CSIRO](#)

The Commonwealth Scientific and Industrial Research Organisation says its 1,924,658 shareholding in Benitec has been diluted below five percent.

Last month, Benitec announced a two-tranche \$31.5 million private placement at \$1.07 a share (BD: Feb 24, 2014).

The company said the first tranche was received on February 28 and today announced an extraordinary general meeting for shareholder approval for the second tranche.

In 2010, Benitec resolved its then long-standing and problematic contract with the Commonwealth Scientific and Industrial Research Organisation by terminating it for a 10 percent equity stake (BD: Jan 17, 2010).

Previously, the company said that the CSIRO Benitec capital growth agreement and terms of the commercial agreement relating to its RNA interference technology “were negatively impacting investment, collaboration and potential merger/acquisition options”.

Benitec was up three cents or 1.55 percent to \$1.965.

[MESOBLAST](#)

Mesoblast has appointed former Novartis chief financial officer Jonathan Symonds as “to support the implementation of corporate finance and strategic objectives”.

Mesoblast did not specify Mr Symonds’ job title, but a spokesperson for the company said that Mr Symonds would be a senior executive reporting to chief executive Prof Silviu Itescu.

Mesoblast said that Mr Symonds was chief financial officer of Novartis AG from 2009 to 2013, Goldman Sachs Group UK partner and managing director of from 2007 to 2009, and Astrazeneca PLC chief financial officer from 1999 to 2007.

The company said that Mr Symonds was previously Zeneca group finance director and a partner at KPMG.

Mesoblast said that previously in the UK, Mr Symonds was a director and audit committee chairman of Qinetiq PLC, along with chairman of the 100 Group of Finance Directors, joint chairman of the Business Tax Forum, a board member of the Accounting Standards Board, and founder of the Oxford University Centre for Business Taxation Research.

Mesoblast fell four cents or 0.7 percent to \$5.76.